Daily Report

Latin America

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FBIS-LAT-90-144 *26 July 1990*

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Cuba

Fear of 'Special Economic Period' Reported

PA2607021190 Mexico City NOTIMEX in Spanish 0121 GMT 26 Jul 90

[Text] Havana, 25 Jul (NOTIMEX)—The "embassies' crisis" looms in the background during the celebrations to mark the 37th anniversary of the attack on the Moncada Barracks, and Cubans are afraid that a "special economic period" will be announced.

The festivities to mark what is considered the beginning of the Cuban Revolution are being celebrated amid a political crisis for the second consecutive year. In 1989 the Cuban society was affected by the execution of high-ranking Cuban military officers who were accused of drug trafficking.

More than 500,000 persons are expected to attend the main event at the Plaza of the Revolution, where President Fidel Castro will probably refer to the "embassies' crisis."

The 18 Cuban refugees in the Spanish Embassy represent the major problem. A total of 37 Cubans have entered different diplomatic missions, but most of them left the premises voluntarily.

Given the economic isolation from which Cuba suffers, the inhabitants of the only socialist country in America are afraid that the government will decree strong measures, known as "economic resistance."

Due to the decrease in aid from former socialist bloc allies and the friction with "western friends," it is believed that the establishment of a "special period" will be hastened.

During his latest speeches Castro has insisted on the grave economic situation and the possibility that the country may enter a "special period" to be able to support its policy for the "defense of socialism."

The Cuban president has explained that the so-called period is equivalent to submitting the country to a war economy so that it may be able to face a situation in which supplies from abroad are no longer available.

The possibility that this special situation may be decreed has caused uncertainty among the people because its implementation might include measures such as mobilizing the agricultural workers to maintain the food supply.

The special period is the cornerstone of the Cuban strategy to withstand the changes in the socialist bloc and to maintain its policy for the "defense of the revolution and socialism"

The 37th anniversary of the attack on the Moncada Barracks coincides with one of the "most difficult and dangerous" moments that the Cuban revolution has ever faced, due to the U.S. economic boycott, the collapse of the socialist sector, and the frictions with western countries.

Dissidents Urge Bush To Hold Talks With Castro

PA2607004690 Madrid EFE in Spanish 2340 GMT 25 Jul 90

[Text] Havana, 25 Jul (EFE)—The Cuban dissident group Manifesto of Harmony (MAR) has sent a letter to U.S. President George Bush urging him to hold a dialogue with Cuba.

The text of the letter, which was given to EFE today by members of MAR, a recently created group that has not been legalized, believes that detente between Cuba and the United States is the most important condition for the reconciliation and the gradual approval of reforms that will allow Cuban society to express itself freely.

The MAR members state: We believe that in Cuba there is a small and limited space for the peaceful activity of informal groups and we know that space would increase if the U.S. administration's policy toward Cuba were less severe.

The MAR members also assert that dialogue would be the only humane way to promote an atmosphere of mutual trust and security, which are essential for a national dialogue.

The signatories of the letter, Indamiro Restano, Rogelio Fabio Hurtado, and Leonidas Penton, say that MAR intends to enrich Cuban society with its independent position.

The signatories indicate that it is indisputable that during the post-revolutionary period in Cuba, costly health, education, and sports plans have been developed, but that a qualitative change allowing for initiative and creativity to flow along with democratic participation is necessary.

MAR asserts that the harmonious development of the individual and the community as a whole is its main objective and that it consequently advocates our country's (Cuba) interests, rejects violence, and believes in the peaceful solution of conflicts.

U.S. Refusal To Allow Games Broadcasts Noted

FL2507200790 Havana Radio Rebelde Network in Spanish 1700 GMT 25 Jul 90

[Report by Miriam Ruiz]

[Text] Jose Ramon Fernandez, vice president of the Council of Ministers and chairman of the committee organizing the 11th Pan-American Games, granted a news conference to domestic and foreign reporters this morning. He discussed the Pan-American Games which will be held in Cuba in August 1991. Fernandez said 36 sports facilities will be used. Ten of them are under construction at this time. He added that some 8,000 people will come to Cuba in August 1991, not counting

the tourists that are expected. Referring to the negative attitude of the United States, Fernandez said:

[Begin Fernandez recording] The United States has refused—I believe foolishly and without truly justifiable reasons—to let ABC television broadcast the games and pay for the signal, claiming that the $8, $10, or $12 million that would have to be paid for such a signal would break the blockade and that the money would go to subsidize the Cuban revolution. The United States added that, without that money, we would not be capable of organizing the games. The revolution, its work and efforts are not going to be smaller—in spite of the economic problems we all have—and that amount of money is not a considerable factor in organizing an event of such magnitude. [end recording]

Havana Notes TASS Article on Soviet Relations

FL2507192790 Havana Radio Rebelde Network in Spanish 1700 GMT 25 Jul 90

[Text] The official Soviet news agency, TASS, today published an article marking the 37th anniversary of the attack on the Moncada Barracks and stressing the stable relations between the USSR and Cuba, which will not be affected by current circumstances. The article adds that the Treaty of Friendship and Cooperation, which was signed a little over a year ago in Havana by Mikhail Gorbachev and Fidel Castro, established a solid foundation for the progressive reactivation of the fruitful bilateral links between the two countries. TASS adds that the assault on the Moncada Barracks on 26 July 1953 was the detonator that made the 1 January 1959 revolutionary victory possible, thus giving the struggles for liberation in Latin America a powerful thrust. TASS points out that Cuba has been besieged and attacked by the United States ever since the victory of the revolution and adds that the Cuban people have been able to resist and today firmly march on the path of a new life after earning well-deserved prestige and international recognition. The article points out that Cuba today has diplomatic relations with more than 120 states.

TASS stresses that despite the current easing of tensions in the world, the United States continues attacking Cuba. This makes the strengthening of international solidarity with the island extremely important, the article says.

It has also been reported in Moscow that President Mikhail Gorbachev today signed a decree which says that, as of 1 Jan 1991, all USSR transactions with CEMA member countries will be made in hard currency at world market prices. In regard to economic cooperation with developing countries, the decree says that this will continue based on the principle of mutual interest and benefit and in accordance with international practice. The document further states that aid to those states will be granted in accordance with the real capability of the USSR.

Nicaragua's Ortega Arrives in Havana

PA2607013690 Madrid EFE in Spanish 0037 GMT 26 Jul 90

[Text] Havana, 25 Jul (EFE)—Daniel Ortega, former Nicaraguan president and coordinator of the Sandinist National Liberation Front (FSLN), arrived in Havana today to participate in the main event marking the 37th anniversary of the attack on the Moncada barracks.

Ortega said when he arrived that the United States continues to maintain an imperialistic policy toward the Third World countries, especially Latin America, and that it refuses to accept the reality of the Cuban revolution.

According to Cuba's AIN [National News Agency], Ortega indicated that the U.S. Government is trying to involve Cuba in the changes that have occurred in the Eastern European countries and that is the reason for its campaign to isolate the Cuban revolution.

Ortega had visited Cuba only a few weeks after the FSLN's defeat in Nicaragua's general elections and on that occasion he met with President Fidel Cast[illegible].

Refugees Leave Swiss Embassy, Return Home

FL2507180690 Havana Radio Rebelde Network in Spanish 1700 GMT 25 Jul 90

[Text] The National News Agency, AIN, has reported that Cuban citizens Jose Anselmo Perez Machua, Jose Manuel Fernandez Perez, and Eduardo Miranda Dias who on 22 July forced their way into the Swiss Embassy voluntarily and unconditionally left the embassy between yesterday afternoon and this morning and surrendered to Cuban authorities.

The three citizens are not linked to any socially useful activity, two of them have criminal records for common crimes, no one has pending charges, and all were returned to their homes.

Music Institute Reports 'Treason' of Musician

PA2607033790 Havana International Service in Spanish 0000 GMT 26 Jul 90

[Text] The Cuban Institute of Music has reported in Havana that the treason of Cuban musician Arturo Sandoval has been confirmed.

In a note, the institute reports that the trumpeter defected while on a tour through Europe, travelling from there to the United States.

The report adds that this defection is condemnable because it was the revolution that allowed him to train and develop his talent. The note says that the nation which admired his artistic skills will now impose on him the worst punishment: scorn.

Sandoval has chosen to lead the life of a renegade, and from now on his soul will always be for sale.

The communique concludes by saying that in time of danger, rats leave the ship to drown in the sea of dishonor and scorn.

Vietnamese Officials Send Message to Castro

FL2607005590 Havana Radio Rebelde Network in Spanish 2303 GMT 25 Jul 90

[From the "Exclusivo" program]

[Text] Today the top Vietnamese leaders congratulated President Fidel Castro and the Cuban people on the 37th anniversary of the attack on the Moncada Barracks, National Rebellion Day. A message signed by Nguyen Van Linh, secretary general of the Communist Party of Vietnam, and Vo Chi Cong and Do Muoi, presidents of the Councils of State and Ministers, respectively, stresses the historic meaning of 26 July 1953. The message expresses a desire for the development and consolidation of militant solidarity, friendship, and integrated cooperation between the two parties, governments, and peoples.

Commentary Calls Godoy Threat to Chamorro's Rule

PA2507174990 Havana International Service in Spanish 0100 GMT 25 Jul 90

["Our America" commentary; read by Manolo Ortega]

[Text] The intense differences among members of the Nicaraguan Government, which surfaced openly during the recent general strike, are not only proceeding, but might become a serious threat to Violeta de Chamorro's stability in power. The most worrying aspect is the attitude assumed by Vice President Virgilio Godoy, who instead of helping the President rule, is openly trying to wrest power from her in an all-out war against any decision she adopts.

It was clear that by running on a government ticket with Godoy, the new president would have frequent problems. However, perhaps she did not expect to face such a fierce struggle with Godoy.

As we said, shortly after the strike ended, Godoy called Violeta and her cabinet cowards because, according to him, they had not acted strongly enough against the Armed Forces, which refused to repress the people. Commander of the Army Humberto Ortega said that the Armed Forces would never stage a coup, but neither would they fire at the people. This attitude greatly annoyed Godoy, who for a long time had aspired to power, and who does not hesitate to criticize every presidential decision to gain popularity for himself.

That is the basis for Godoy's maneuvers to create the so-called Committee of National Salvation, which he finally achieved with the participation of politicians from other parties members of the UNO [National Opposition Union].

Despite the criticism by several members of the Presidential Cabinet, who have accused him of inciting war and revenge, the Vice President continues with his task of undermining the shaky bases of the Nicaraguan Presidency. A few days ago, Godoy even referred to the creation of death squads. He said that if Nicaragua becomes unstable, the former members of the counterrevolutionary bands would feel threatened and would therefore receive weapons to protect themselves. This would be the most dangerous decision that could be adopted, because weapons in the hands of the former Somozists could be used against the people and the government.

Those problems, added to other serious matters, like the country's critical economic situation, labor unrest, and natural disasters, prove that governing a country is much more serious than the President expected, when she made the V for victory sign the day she assumed power.

Castro on Need for 'Popular Fortifications'

FL2507170090 Havana Tele Rebelde Network in Spanish 1233 GMT 25 Jul 90

[Remarks by President Fidel Castro during his visit to popular fortifications in Arroyo Naranjo Municipality on 24 July—recorded]

[Text] We have visited the Nico Lopez refinery. They have built important new facilities there to increase the amount of diesel oil that can be extracted. We have visited the open-air market in San Miguel del Padron which is being built by Guanabacoa neighborhood groups. We have visited the important National Retinitis Pigmentosa Center that was finished by workers in time to celebrate the victory of 26 July. We have toured the fortifications you are building here. I wanted to see some fortifications because, even though we would like to dedicate all our time to things more in line with our needs, like factories, houses, cultural centers, and schools, we have to put a lot of effort, sweat, resources, and sacrifices into defending the country.

It would be purposeless to build factories, dams, channels, irrigation systems, construction materials factories, houses, and many other things if we did not strengthen the country's defenses because we would risk losing everything. Or, what is worse, the enemy might think we do not have the will to fight and may be tempted to attack. Thousands of men work in these fortifications on different fronts. A significant number of people will join them in the coming months. In doing this, we are not only providing protection for our populace and combatants, but we are also creating conditions so that any invader of our land will have to pay such a high price that he will think three times, he will think 10 times, before doing so. If there is no war—and no one can guarantee that—if there is no attack—and no one can guarantee that—it will be primarily because of this effort to strengthen the defenses.

We hope we will never have to use them, but there is no doubt that they are extremely important. These defenses can be decisive in discouraging our enemies who should

know, and must know, that here, they will find the will to fight and triumph. They will find people capable of fighting to the end, people capable of making them pay a price they cannot afford. Therefore, we should never have doubts about our work in this area.

We are not only defending our factories, our industry, our schools, our cultural centers, our houses, our hospitals, our polyclinics, and all the work of the revolution, but we are also defending the country's dignity, the country's honor, the country's independence and freedom. This is more important, much more important than the rest of our revolutionary works. Those other things are material things, they represent well-being. But we cannot defend our material world alone. We have to defend our life, honor, independence and freedom more than our material works. We have to defend the spiritual victories of the revolution, and what is more important, we have to defend our liberation from the slavery of the disgraceful capitalist system, from the exploitation carried out by national and foreign capitalists.

Our people have been fighting for over a century, from 1868, to reach this stage. Our people have sought the means and tactics to rid themselves of this slavery with different tools throughout their history. The work we are doing here can neutralize many of the enemy's most sophisticated weapons. This is a weapon. This can be as valuable as one, two, or 10 cannons, as valuable as one, two, or ten tanks, or 10, 100, or 500 rifles because it multiplies the firepower of our fighters. It multiplies the effect of our weapons, the weapons we will use to defend our material and spiritual values. This is why I want you—on the day before our 26 July celebrations, and in the future, when we intensify these works—to have the conviction that you are doing the most useful and noble work. When you work like this you have the right to say: Socialism or death! Fatherland or death; we will win!

Castro Speaks at Various Provincial Localities

FL2507133090 Havana Cubavision Network in Spanish 0000 GMT 25 Jul 90

[Italicized passages are recorded]

[Excerpts] [Passage omitted] The tour continued through the Guanabacoa wholesale market [mercado concentrador]. In a mass ceremony, the most outstanding construction workers received certificates of recognition from Commander in Chief Fidel Castro personally.

[Passage omitted including indistinct portion] [Castro] *That is why I say the effort you have made is admirable, it is impressive, and it demonstrates, as Emilio said, that everything is possible when the people take things into their own hands. Then there are no obstacles, because everyone has done something that no one would have believed. Men and women who are not specialists in construction, although some may have had some experience, have learned to lay blocks, to lay bricks, to carry out the various tasks required for a building like this. I think it is a magnificent and encouraging example. I think it is a worthy act of homage to the 37th anniversary of 26 July. [applause]*

This is possible because the people know that they are working solely for their own interests, that they are working for their well-being, that they are working to solve problems. How many problems have you solved for your children with the polyclinics? How many people go there every day to receive treatment under excellent conditions or go to the dentists there? How many people have benefited from the schools? How much human spirit is involved in a special school like the one you have, which I have visited more than once, for children who have vision problems?

Who benefits from the apartments you are building, from the markets, from each of the things that are being done? And who benefits from each factory, from whatever the project? It could be for metalworking, or it could be for construction materials which are going to be used for housing or to repair housing, or to expand housing. Everything is possible when the people work for themselves, and only with socialism do the people work for themselves. [applause, chants of "Fidel! Fidel!"]

The next visit was to the Retinitis Pigmentosa Room at the Salvador Allende Hospital and the treatment center that was built beside this room.

[Castro] *[applause] The basements have been repaired; a million things have been done. It would take a long time to tell. But here, above all, the Salvador Allende Contingent was created, working on this project. And now they have done something that really seems incredible: not only the work they did there—they did it very quickly, and as you can see it is providing service for Cuban patients and those from other countries—but now, by building this center in almost 49 or 50 days. You see it but you cannot believe it. It has great beauty, high quality. I say this, that it reminds me of a building in ancient Greece, one of those that appears in books. Although when I got here I said: This looks Arabic, when I came in through here. [laughter]*

I must tell you, comrades, for your satisfaction and that of all of us—and not only the construction workers but also the hospital workers and those that work in this service—that this service for retinitis pigmentosa is unique in the world. Do not forget that. [applause]

Later, in Arroyo Naranjo Municipality, the commander in chief visited the people's defense fortifications.

[Castro] *In doing this we are not only providing protection for our populace, we are not only providing protection for our combatants, but we are creating conditions so that any invader of our land will have to pay such a high price that he will think three times, he will think 10 times, before doing so. If there is no war—and no one can guarantee that—if there is no attack—and no one can guarantee that—it will be primarily because of this effort to strengthen the defenses.*

We hope they will never need to be used. We hope not, but there can be no doubt that they are extraordinarily important because they can contribute decisively to discouraging the enemy, who has to know and must know that he faces a people with the will to resist and fight and win, that he faces a people capable of fighting to the end and capable of making him pay a price he cannot afford.

That is why we must never complain about what we do in this field. And thus we will be defending not only our factories, our industries in general, our schools, childcare centers, houses, hospitals, polyclinics, and all the works of the revolution, but we will be defending the country's dignity, the country's honor, the country's independence, and the country's freedom. [applause] [passage omitted]

I am also from the capital and have been here quite a long time. I am critical in general. I also criticize the people in the capital. Our capital is a mixture of people—a strong proletariat, many good people, many militant people, and even some lumpen. It is always a much more complicated situation in the capital than in Matanzas, or Villa Clara, or anywhere else in the territory. But I cannot forget either that here in the capital we organized and recruited in the old Havana Province—and also in part of Pinar del Rio [words indistinct]—had more than 1,000. We had about 1,200, all recruited here; the response was excellent.

I think that Havana has played a very important role in the revolution; it plays a very important role in the entire country. Its industries are fundamental, decisive for the nation. It has helped the rest of the country, because for many years, attention was focused on other provinces, on other cities. Furthermore, there were things that could have been done that were left undone, especially when there were a lot more resources than there are now. Now with infinitely fewer resources, we are doing much more.

[Unidentified speaker] *What message would you have for the residents of the capital?*

[Castro] *Well, I would like them to come to the square [Revolution Square] on the 26th. [laughter, applause]*

Carlos Rodriguez Receives Foreign Delegations

FL2507135190 Havana Tele Rebelde Network in Spanish 1130 GMT 25 Jul 90

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, last night received five members of the South Commission at the airport. These people will attend on their own behalf the South Commission meetings that are scheduled to be held at the Palace of Conventions from 29 to 31 July. They will also participate in the celebration of the 37th anniversary of the attack on the Moncada Barracks. After their meeting in Havana the South Commission members will travel to Venezuela to launch a book entitled "The Challenge of the South." The Cuban vice president welcomed the leaders from India, Nigeria, Senegal, Malaysia, and Algeria. Rodriguez said:

[Begin Rodriguez recording] [Words indistinct] We are very happy that you were able to accept President Fidel Castro's invitation to attend the celebrations marking the day of our national rebellion. We are deeply satisfied with the presence of the South Commission in our country. Some other members have already arrived. [Former Nigerian] President Nyerere will arrive tomorrow to be with us during the 26 July celebrations. This is an honor and an expression of friendship toward us. [end recording]

'Highlights' of 7th ANPP Assembly

Part 1

FL1907150090 Havana Cubavision Network in Spanish 0100 GMT 18 Jul 90

[First part in a series of three on "highlights" of the Seventh Session of the Third National Assembly of the People's Government, ANPP, held at the Palace of Conventions in Havana from 11 to 13 July—recorded]

[Excerpts] [Announcer] The Seventh Session of the ANPP began with the reading of the report on tourism. The four institutions of the sector, the National Institute of Tourism [Intur], Cubanacan SA Corporation, Gaviota Group, and People's Camping were represented. Discussions began with a report by delegate Jorge Otero on problems with reservations for domestic tourism. [passage omitted]

[Castro] The elevator issue is a headache for the entire City of Havana. There are hundreds and hundreds of elevators of all kinds. We have received some that are of poor quality. We have asked national and joint venture enterprises to purchase the best, safest, most prestigious elevators for the hotels. It is a real tragedy if an elevator is not of the highest quality. It is one of the most vulnerable points of a hotel whether it is used for cargo, passengers, or whatever. We cannot ignore this principle. It will take a long time before our elevators are of three-star, four-star, five-star hotel quality. That is my conclusion. My question is, if an enterprise has to see to a building, hospitals, which are very important, and the same enterprise is the one to solve domestic problems and also see to hotels such as Habana Libre, Riviera, Cohiba—the new and old hotels. Are they going to give priority to the Hermanos Ameijeiras Hospital or the Nacional Hotel? It would be madness. They have to figure out what this enterprise is like. What is its capacity? And what happens if you put it in the same boat as elevators for tourist buildings, of which there are hundreds throughout the country.

In the provinces it is the same thing. Enterprises must be created. I envision an elevator enterprise in Matanzas to solve the problems in Varadero, in all the new hotels in Varadero. I wonder if there is a brigade in Varadero, a small shop that might take care of all the elevators there and be part of the tourism enterprise. The question is if the solution is to have a large enterprise in Matanzas where nobody knows where it comes from, what resources it has, and what

problems it has, or that tourism with the necessary resources allocated by the country, with the same hard currency it collects, can have its spare parts in a shop there for its good elevators. The first thing we must do is buy good elevators. I have discussed this with Osmani [Cienfuegos, vice president of the Coordination and Support Staff of the Council of State]. We must place the highest quality equipment in these hotels. Otherwise we will never have three-star, four-star, five-star hotels, 10-star, and so on. [passage omitted]

[Unidentified delegate] There is only one regulated product at the campsites since the program began—condensed milk. With the supply problems we are facing we have been given guidance to regulate it so there is enough for everyone. This is being done everywhere in Cuba. I do not disagree with her. Perhaps our comrades who work at the grocery stores on the campsites she visited may have gone too far selling goods. There is a group called select goods—such as meat—which is regulated at the discretion of the comrade. Two or three cans are being sold per stay now. I reiterate, we do not have a rule of regulating goods at the campsites. We only regulate condensed milk depending on the number of cans available. At this time, condensed milk has been regulated in the entire country, especially in East Havana where many people go camping. She was mentioning something that was true....

[Castro, interrupting] Yes or no?

[Delegate] Yes.

[Castro] Is there regulation or not?

[Delegate] Basically there is no regulation. I can assure you that we have provided guidance that when a real shortage of a given product exists we regulate it and allow only two or three cans per stay....

[Castro, interrupting] What is in short supply? We are receiving no canned goods from Bulgaria at this time or many other things such as sundries and nicknacks. What is being used for camping requires sacrifice and one has to adapt to the situation.

[Delegate] Right. She was saying that more can be done about the way the facilities are used. I do not know to what she is referring because [words indistinct] says that in East Havana, the place to which she is referring, there are not enough facilities and the 10 campsites opened recently are not sufficient. We are beginning to have terribly long waiting lists....

[Castro, interrupting] Are there waiting lists in East Havana?

[Delegate] What?

[Castro] Do you have waiting lists?

[Delegate] Yes, of course.

[Castro] There are not enough campsites in East Havana. There is a reason for that. There was a time when the construction of campsites was stopped. We wanted to build up to 40 campsites there. I think it is great that the people in East Havana have somewhere to go here. Even if it is just a little bungalow where people are not bitten by mosquitoes because there is mosquito netting. All the necessary equipment was given to the Havana People's Government so it could build those campsites, and it turned out that no resources were available, problems came up, and the equipment was redistributed. I had to provide equipment for East Havana's campsites. I want to see how they are doing because they told me the story of the great captain. I was told that since they were not being used there they could be used for something else. When I went to ask for the equipment it turned out that the equipment was scattered all over the place. Everything had to be torn down to build the East Havana campsite. New equipment had to be obtained.

[Victor Fernandez] You said that the building of campsites stopped at one point and that a decision was made to redistribute the equipment you had handed over. Later, you....

[Castro, interrupting] It disappeared.

[Fernandez] You asked for the equipment to be collected, and we collected a good part of it again, and it is at the campsites. You later completed the number of equipment to begin the new plan. The new plan is being carried out with new criteria and new ideas. We believe that the population feels better with that new project and new concept of building campsites.

We are building motels, not campsites. La Laguna is a motel with a swimming pool in the middle and bathrooms. It is wonderful. The campsite at Pena Blanca is a motel with all the facilities for the people. There are large waiting lists and great demands are placed. Residents from the capital go there. The people go to the campsite, to the latest one that was built....

[Castro, interrupting] You said that there is a lot of demand, there is a waiting list [words indistinct] in the summer months?

[Fernandez] Before, in the winter the campsites were practically not used at all. This winter all the campsites were used.

[Castro] All of them?

[Fernandez] All of them, including the ones without bathrooms.

[Castro] That is good news. People are learning to use the campsites.

[Fernandez] They are learning to use the campsites. The people are using recreation sites....

[Castro, interrupting] When is the demand greater, now, in the summer?

[Fernandez] In the summer.

[Unidentified delegate] In July and August it is over 20,000.

[Castro] Are those the ones who want to go to the campsites?

[Delegate] Yes.

[Castro] This means that the demand is twice as great as the available facilities. If you had 20 campsites, would they be full in July and August?

[Delegate] Yes, they would be full in July and August.

[Castro] How many workers do you have in the national organization?

[Delegate] There are 4,181 throughout the country.

[Castro] This would equal three sugar mills. Well, one and a half. Four thousand and something? What is your income in sales?

[Delegate] This year it was 31 million [currency not specified].

[Castro] How much this year?

[Delegate] It was 31 million in 1989.

[Castro] You are going to sell 31 million-worth. How much are you spending?

[Delegate] No, we sold 31 million in 1989 and spent 29 million.

[Castro] That was sales in a full year. How much do you think you will sell this year? At least you are not subsidizing camping.

[Delegate] This year we think sales will be....

[Castro, interrupting] We do not think of it as big business; we think of it as a service to the people. According to your estimates, how many people will go camping this year?

[Delegate] Some 1.3 million.

[Castro] That is something. Some 1.3 million citizens spending one or two days or a week at campsites. What percentage of campsites will be occupied throughout the year?

[Delegate] About 47 percent. About 45 or 47 percent.

[Castro] In East Havana?

[Delegate] Much more, up to 60 percent, not including July and August, which are at 100 percent.

[Castro] At 100 percent total in July and August?

[Delegate] At 100 percent.

[Castro] We can use this as a guideline. There is heavy demand here in the west for campsites in East Havana where a steering plan, a project, was drawn up a a number of years ago. We are moving ahead. We have to see the resources at hand. If it comes to a halt, then so be it. That is if there are no resources or anything else. We do not know what the immediate future will bring despite our best intentions, but for the moment we have a guideline in terms of the efforts that need to be made, and we can see what you need there and what we can do every year. We have learned that there is a great demand in East Havana. This shows us that if we can, we must continue developing East Havana.

[Delegate Dulce Maria Torres] There should be an effort made to stop money-changing activity called jinetero, which leaves a false image in general of the Cuban attitude. The City of Havana is where this is seen more. Those who have easy access to restricted areas, unfortunately in recreation centers, where there are foreign tourists. They can get in. Comrade Pablo [not further identified] said a few hours ago that these areas are for foreign tourists and Cubans cannot get in. These people who we call money changers get into these places easily and [words indistinct] and I think that something should be done to prevent these people from getting into these centers and to reduce the irritation they cause by getting in.

[Unidentified speaker] Excuse me, Dulce Maria. It is not that we have to do something. We have being doing it for a long time. There is easy access because of those who are inside, not outside.

[Torres] That is true.

[Speaker] And in this part of the whole struggle we have called on the country to confront this problem. This is not prevented by the police or members of the People's Vigilance Committee. This must be prevented by the workers inside and by the needed awareness that we have been discussing in this session. There are many things to do about issues such as ethics, principles, etc. I believe that you are getting ahead of us regarding the matter at hand because we later must deal with other items that are more closely related to the issue you have raised. However, I do think that this is part of our rectification program and our struggle.

[Torres] Yes, and....

[Delegate, interrupting] The policeman on the corner is not going to solve this problem. It will be solved by the workers inside; it will be solved by managers who impose discipline in their work centers and it will be solved by various factors that are fighting for this.

[Unidentified delegate] There are two aspects I would like to emphasize within the framework of this assembly. I feel it is necessary that Intur develop a more detailed information program as to its achievements and effectiveness, which will allow the people to become more aware that tourism is and must be everyone's affair because it benefits everyone.

[Passage omitted] [Delegate] The second important point is related to our population's dissatisfaction

regarding the different treatment that is still perceived by domestic tourists, compared to the treatment accorded international tourists. In some cases, the people are mistreated.

[Castro] She says that attempts should be made for Intur workers to treat equally the citizens who go to international or Cubanacan hotels. In this case, we are talking about the laborer. I think this is a matter of educating people. I believe we should [words indistinct]. I believe that what she said should be noted. [screen shows figures on campsite visitors]

We have the privilege of following a tourism policy that is in line with the most modern criteria, in line with the peoples' wishes, with the wishes of tourists. We have fantastic capabilities in this. I believe we can and should find a solution to all these things which range from the problems with elevators—Osmani has already explained that they were looking for only two or three makes—to the food supplies matter.

Much more serious problems exist, such as training of the labor force. Much of the labor force is here. We need schools. There are enormous tasks ahead, such as finding construction workers for the tens of thousands of rooms we have to build. We have to find the staff. I believe that some 100,000 rooms can be built in all those northern keys where we are building the causeways. I rack my brain thinking who is going to build them. Where are they going to get the people? What personnel are going to work there? This project also needs almost 100,000 workers. There are a number of much more complex things. For example, the study of joint ventures. Why do we have them? I believe that strategic matters need to be discussed regarding the tourism matter.

One of them was mentioned here when the distribution of available facilities was discussed. How are we going to distribute them? Comrade Jose [not further identified] said that there are not enough facilities. We do not have enough. How are we going to distribute them now? How are we going to distribute them in the future? You yourself told me in a meeting, someone asked how more facilities could be obtained for domestic tourists. There are those kinds of concerns. Tourism strategy and policy matters cannot be discussed, but present and future tourism policy matters are extremely important for people. There are questions which we need to have answered.

One of the questions to be answered is, does the population gain with all this tourist development, or not? In my opinion, the population does gain because having 20,000 rooms is not the same as having 100,000. When the people go to the beach.... [changes thought] One of the things we have to learn is what ideas our people have about tourism, and how they will take care of the facilities. There is no doubt we still do not have the European tradition—this is the truth—of taking care of these tourist installations. We have some terrible habits such as taking the entire family of 10, 12, 14 members and breaking everything. We can talk about this without shame. What are we like? What type of tourists are domestic tourists? What kind of treatment do we give to those hotels?

Tough and difficult subjects are presented here. I believe that the situation will not be the same in 1990 as in 1997, 1998 when the country gains other incomes and other possibilities. We would like the population also to enjoy everything that is built for tourists, even if during part of the year, during those two months in which our people generally go to the beach. Our people want to go to those facilities with the entire family and with all the children who are on vacation during those two months.

Those houses? Yes, those houses. The people from East Havana have made an enormous effort; they have accomplished a feat. They have recovered 700 houses. Those houses were destroyed by the people who used them. Sometimes an entire tribe got into one of those houses. Twenty-five stayed at a house intended for five. How do we manage that? How do we distribute them? To whom do we give them? Under what conditions do we give them in our type of society? The distribution of the few facilities cannot follow the market policy. Who will pay 300 or 400 pesos for a house at market price? Who will pay for it? The rich people. We also have some of them. They are going to pay for them—I know who is going to pay for them—and the ones who steal.

There are people who steal and do it openly. There are people who drive a truck and then take the goods [words indistinct]. Who knows how much money people make with cabs when they have several people ride in them and turn in only what one person pays. All these things are known. There are people here who obtain easy money. They have enough money to pay for Santa Maria houses and three-, four-, and five-star hotels. They do not know how to spend their money.

What policy should we follow? I think this should be explained. This is very important. [applause]

Part 2

FL2007171590 Havana Cubavision Network in Spanish 0100 GMT 19 Jul 90

[Second part in a series of three on "highlights" of the Seventh Session of the Third National Assembly of the People's Government, ANPP, held at the Palace of Conventions in Havana from 11 to 13 July—recorded]

[Excerpts] [passage omitted] [Bartolo Dominguez] I agree in principle with competition for a position. In the long run this will allow for greater in-depth activity in the legal field and higher quality work in judges. However, I am concerned about the way in which the competition will take place. Are we in a position to demand requirements for all promotions and assignments?

[Castro] How much does a judge earn?

[Dominguez] Excuse me?

[Castro] How much does a judge earn?

[Dominguez] The basic wage is 365 pesos in the provinces.

[Castro] How much does an attorney earn in the collective attorney office?

[Dominguez] Currently there is a free-wage system. There is no ceiling on what an attorney can earn.

[Castro] How much can one earn?

[Dominguez] Excuse me?

[Castro] How much?

[Dominguez] Now the wage system is somewhat regulated. They can earn 1,000 pesos or more. Now there is some regulation, and even when the free-wage system is operating, there is a ceiling of 1,500 pesos. But in reality, the way the wage system is regulated, it is free; they can earn as much as 2,000.

[Castro] Well, who has to explain this? If that is the way the system works, I do not believe many people can justify it.

[ANPP President Juan Escalona] Excuse me, commander. Following the discussions....

[Castro, interrupting] The old and famous little meetings.

[Escalona] A resolution was adopted to draw up a preliminary plan in some law offices in the country to free the system so attorneys could earn according to the result of their work. Two factors worked against this experience. The shortage of attorneys in collective law offices resulted in a high ratio of clients to attorneys, an excessive number of cases per attorney. This, in turn, resulted in a lower level of quality in the work of attorneys because the heavy load keeps them from spending enough time with clients. They could not visit the clients in prison. So when an attorney attempts to earn a lot of money by doing poor-quality work, the board of directors of collective law offices decided to maintain a ceiling of 1,500 pesos per attorney. This was the subject of a series of serious discussions held by the collective office. This problem was discussed passionately.

[Castro] So what is it that he is saying? That not a single voluntary judge is going to be found in the entire country.

[Escalona] Is Comrade Manresa in the audience? He is chairman of the board of....

[Castro, interrupting] Chairman of what?

[Escalona] Chairman of the board of the collective office.

[Castro] Oh, well.

[Guillermo Manresa] Comrade Commander in Chief, Comrade Assembly President and Delegates: This problem is not simply an income issue. For everyone's peace of mind I can tell you that there are only two out of 562 attorneys who are in this pay system, out of 1,177 attorneys in the country. The difference between those who are in that pay system and the total number of attorneys is young attorneys doing their social service and who receive only 198 pesos a month. This means that not all attorneys receive that astronomical figure.... [changes thought] In other words, in relation to the total number of attorneys who are in the collective law offices, only 0.16 percent could have had—there are two cases in the country—with an average income of 1,000 pesos.

[Castro] What is the total number of attorneys in the collective offices?

[Manresa] Commander in Chief, 1,177 practicing attorneys. There are 83 attorneys in the position of director. The director of an office must be an attorney also. There is talk about pay without a ceiling. From the economic point of view the pay has no limits, but from the physical and intellectual point of view, and in view of the professional and human possibilities of the individual, there is a limit which we are applying. We have adopted measures regarding the directors. We have to say that an entire group of factors is being applied in the law offices. This is why I was saying that we must not look into the wage system alone.

There are a series of organizational measures. We have set up work teams in the offices, with five, six, or seven attorneys. Since there are many young ones who are new and just starting out in the profession, we set up teams that evaluate. Quality starts with the attorney himself, including the issue of professional ethics. Another thing we have tried to strengthen is performance of the profession based on reinforced ethics. In addition, when the issue of individual awareness, or ethics, fails, it is the team leader, the collective that exerts control over the work. It is under the control of the director whose responsibility, for all practical purposes, has been increased. This includes nonpayment for a case when a series of basic quality requirements for a trial have not been fulfilled.

Further, I would like to say something about the proportion of the matters dealt with in the attorneys office. Everyone thinks of the law office in terms of crime, of penal matters. We serve 175,000 citizens a year. Of these, 30 or 28 percent are penal matters. The rest are civil cases, such as divorce.

[Castro] How many are divorce cases?

[Manresa] About 35,000 to 37,000 per year.

[Castro] Holy cow! [laughter] Do you get paid for divorce cases? You do.

[Manresa] We have brought our services to isolated municipalities. We either set up offices there or the lawyer goes there two or three times a week. We have made it possible for more people to see a lawyer by having evening hours to make it easier for people not to miss work. We have also adopted other measures by

handling documents for various matters instead of people's having to go to the registry to look for documents. To the extent that people have this service close by, this also makes it possible for those who, for example, had a parent die and who continued to live at the home. This new situation was not reported for generations.

The citizens have begun to see that the services to report such matters have been made easier and a better service is being rendered. This is in spite of the fact that we still do not have the legal quality we wish, but to the extent that people see the attorney can solve problems and make things easier, they will use that service. So, there are a number of factors. There are also new rules, new legislation.

[Castro] Such as this one.

[Menresa] Yes, all kinds of legislation, such as housing....

[Castro, interrupting] Are you going to ask for more attorneys? Is that not so? Fewer?

[Manresa] We also have to talk about the appointed defenses under the responsibility of the organization. No attorney is appointed unless nominated by an office. The court asks that an office appoint an attorney as a social service. This situation must be resolved. About 15,000 cases are defended by appointed attorneys, and at any given moment they are not paid. This service is identified by many people as a free service.

The comrades who are closer to this matter, the Justice Ministry, the comrades of state organizations, believe we should find a solution to this. In our society no one is left unprotected. First of all, if we are talking about a embezzler, he has enough money to pay a modest fee after he is penalized, if he ends up being penalized. If not, he works in prison. In reality, about 1.5 million pesos in income is left uncollected. It is not a matter that the organization does not receive the money for these defense cases by appointment, but the country does not collect it either. We are talking about some 15,000 pesos per year.

[Castro] This is a good explanation. Now tell us if you think that Comrade Santiago is correct when he says that no one wants to be a judge.

[Menresa] It is my opinion the type and nature of an attorney's work is different from that of a judge. I am not saying it has more responsibility.

[Castro] But you are not saying whether or not we are going to have enough judges.

[Menresa] No, I believe that there are many attorneys.... [changes thought] Regardless of the income and based on personal issues, health, family.... [changes thought] Many are women. Many lawyers are women, who at one point in their lives are forced to ....

[Castro, interrupting] Are they forced to be judges or what?

[Menresa] They are restricted to practicing law because of the nature of the work.

[Castro] Correct. So it is possible that some women can be judges.

[Menresa] Instead of this being an obstacle, I believe that the fact the position is given by competition will dignify the profession more. A person will not be a judge just because he was elected. It will be because he competed for a position, and in addition, was elected. I think there is a series of measures that will continue to dignify the position of judge. It seems to me that there are always people who aspire to be a judge, or a prosecutor.

[Escalona] Commander, I am going to request that Comrade Raul Amaro, who is president of the Supreme People's Tribunal and chief of all of this country's judges [words indistinct].

[Castro] Who much does the chief of the Supreme Tribunal earn? It is below 40 percent of one of those outstanding attorneys.

[Amaro] Yes, sir.

[Castro] And you would not resign from your post of president of the Supreme Tribunal to go and work in a collective law office.

[Amaro] No. The assembly would have to remove me.

[Castro] The assembly would have to remove you. All right, we will keep it in mind to help you, Amaro. [laughter]

[Amaro] Thanks for the help, but no thanks. Let me stay, as Comrade Escalona says, in my peaceful tribunal. Look Commander, first of all, when this competition was first suggested, it was done because everyone who worked in one way or another on this project felt it would be one step closer to solving the problem of assessing judges. Over the years and in various reports, deficiencies in the work were seen. Many of them were of a technical nature.

I believe that the role of the judge is of such a nature that [words indistinct] justice affects not only the person involved, for example a penal case against the accused, a civil suit, etc., but it goes beyond this. It affects society. The social effects will be better as the judges' decisions are more just and of a better quality. We must by all means look for the social efficiency of the application of law in our country.

How can we say that we are not going to approve the competition system, which proves the qualifications of an attorney to become judge, because we do not have judges who want to submit to that? I would think this is because they do not have the technical qualifications to be judges. It would be better not to have judges than to have them under these conditions. I believe that we might think this step is risky, that we are going to have problems, that we are going to have difficulties in finding them, but I believe it is necessary.

[Castro] You are referring to the technical and moral qualifications.

[Amaro] Yes, that is a given.

[Castro] I even think that with our conditions someone could have less responsibility and perhaps a better income by being a collective office attorney than being a judge. You really need to be dedicated to be a judge. Someone needs to like the task and ask to judge. The economic incentive is not there, and it cannot be there. We cannot give a judge a supersalary like that of the man earning 1,000 pesos.

What would you do if you were unable to find enough judges?

[Amaro] I would simply have to work with the ones I have. I would rather work with the ones I have than simply to have people who do not want to be judges or who are not qualified to be judges. I think it is a matter of honor and pride that any of us judges in this country are elected by an ANPP to become judges. That is greater than anything to us. We also have to respond to the trust placed in us by acting properly. I would tell you that if I was unable find another judge and the ones I have or the ones our country has are the current judges, we will have to make do with those until we have judges who not only have the moral condition and the wish to become a judge, but also the qualifications so they can properly carry out their responsibilities.

[Olga Lydia Junes] I can assure the ANPP that the economic factor is the least important one in this transition from attorneys to judges. Ideally, the collective law office is not the only source for judges. There are legal advisers in the enterprises who are well-trained. It may be possible that when the books and programs are published and those people can be trained, they can aspire to becoming judges.

[Junes] I believe that to look at this problem as a salary problem would be too simplistic. It involves other things. People should study and aspire to becoming judges. Within the legal profession, I would say this is the most honorable occupation and best-recognized from the social viewpoint. It is also the most important one.

[Castro] More than physicians?

[Junes] More than what?

[Castro] Than physicians.

[Junes] No, Commander. I am comparing the judge with the attorney and the prosecutor. I would say it is equal to the doctor. A judge that improperly sends a man to serve six months of imprisonment does the same thing as a doctor who kills a patient through malpractice. This is why we have to aspire to have good judges who are capable of ....

[Castro, interrupting] You are saying that the profession of judge has great social prestige. This is what you are saying.

[Junes] Yes.

[Castro] I agree. I agree that they have social prestige and a very important responsibility. It can even become greater. I thought that you were comparing attorneys in general. Attorneys have not gained as much social prestige as those in other professions. The attorney has always been seen as a briefless lawyer. This is not the case with our lawyers. I do not have this opinion of our lawyers. Much less when I have had contacts with law students. I thought they were very good people. Fine, the point brought up by Bartolo has been discussed. I do not think we need to discuss it further. We need to submit this to the sovereign assembly. [passage omitted]

It is not a matter of the thief, the one that broke in and robbed. It is a matter of managers or workers in the units. Of course, the main responsibility for whatever happens in one of those places lies with the chief, even when he supervises only three people. There is always an accomplice in the cases we know about; there is always a corrupt person, someone who is bribed, or the person in charge wants to do something.

There can be a case in which nothing is detected as missing, but there is still theft. If the citizens are supposed to get 50 scoops of ice cream, they give them 53 and keep the difference. [sentence as heard] All that is possible.

The thing is to look for ideas that can be implemented in a practical way and with the participation of those involved—I understand that what is affected most is not the population, but the economy in general. The residents of the area may not be affected. If someone steals a pound of something from the warehouse or anyplace, he may not be stealing from a neighbor but he is stealing from everyone else because he is reducing the country's resources; he is stealing from the state; he is damaging our society. This is why it is important to find the answer to these problems.

I believe this is related to what has been said about giving more power to the delegates, more possibilities, more authority, more participation. This has been discussed quite a bit during the assembly. [passage omitted]

Part 3

FL2307175590 Havana Cubavision Network in Spanish 0100 GMT 21 Jul 90

[Final of three installments of "highlights" of the Seventh Session of the Third National Assembly of the People's Government, ANPP, held in Havana's Palace of Conventions from 11 to 13 July—recorded]

[Excerpts] [Announcer Rosalia Arnaez] As you know, the Cuban deputies meet on a regular basis twice a year. At each of these sessions, one province reports on its development

and the work it has done during the past few years. This time, it was Camaguey Province's turn to report. The last time it did this was in 1982. [passage omitted]

[Julio Alfonso] I want to refer to a portion of the report that the Camaguey delegates did not discuss very much. It is something that is an important strategy for the country's development—the issue of genetic engineering and biotechnology. They have a center there and we know that these centers are very productive. They work with the criteria and the concepts that led to the creation of the first center here in Havana. On page seven of their report they include it as one of their nonproductive investments, and that is confusing because it is very productive.

[Castro] Biotechnology is not the right word for it.

[Alfonso] Yes, what happens is....

[Castro, interrupting] In comparison to the social sector and Nuevitas Hospital, it is more like a public health-care center or something like that.

You are right comrade; it is a very highly productive center. It has not really started yet. All the equipment is being purchased so it can manufacture the growth factor, three kg of it. That should total tens of millions of dollars.

[Alfonso] The center's staff is already manufacturing the growth factor in Havana. They begin manufacturing it as soon as the equipment is available.

[Castro] By next year, it will be producing the growth factor.

[Alfonso] The thing is that...

[Castro, interrupting] It will be the first. No one knows what else will happen at the center.

[Alfonso] To summarize all these programs is like introducing a mechanical plant in....

[Castro, interrupting] Of course, we have inaugurated this and that in the research sector. It could fill a page like this. This center is more like a care center.

[Alfonso] I agree.

[Castro] It is as the comrade said; he is absolutely right.

[Jose Miyar] It is a center that is part of an explosion and of the science policy. It is a very important source of development in Camaguey. From the start it not only creates the conditions for a center of high technology and science, but it is also very productive for the country.

[Castro] We wanted to make other centers like this in other provinces—if not in all provinces, at least in Villa Clara, Santiago de Cuba, Holguin. [pounds table three times] These centers elevate the scientific level of the province. They provide job opportunities for dozens and hundreds of people who are in our universities everywhere. It gives great momentum to science. No one can know [words indistinct] because science is an infinite area of infinite possibilities. It is one of the greatest advances in the province. [passage omitted]

[First unidentified speaker] The part that attracted my attention was the gastronomy and restaurant section on page 35. The report described a group of factors on which they had worked and on the quality of services. It mentioned expanding the trade area, the policy of eliminating inadequate areas, remodeling installations, and other objective factors. However, in the case of the subjective problems of these deficiencies and the subjective problems that exist in our province—this is not unknown in Camaguey—such as the problems of inadequate service, the length of time it takes to render service, the lack of discipline among trade and gastronomy personnel in fulfilling their duties, the lack of administrative requirements, inadequate training of personnel [words indistinct] work organization, the report does not mention these things, these subjective problems. That is what aatracted my attention. I would like to ask the comrades, considering that the quality of services is greatly connected with the problem of [words indistinct] to man, the subjective factor: what are you doing in this regard and what is the main direction taken to improve the quality of service?

[Castro] Lazaro [Lazaro Vazquez, first secretary of the Communist Party of Cuba, PCC, in Camaguey Province], you and the comrade president of the people's government, have you made any progress in that area? Have you taken measures?

[Vazquez] Yes, commander...

[Castro, interrupting] Have you made any progress. You will also have to work with tens of thousands of tourists. [chuckles] Camaguey will have to characterize itself by its hospitality, all those things. I think that is what the comrade wants to know. Are you doing something? Do you have something new....

[Vazquez, interrupting] Well, I would like to explain the following, Commander: We have begun a plan to remodel all our units. Camaguey has a total of 2,700 units.

[Castro] The municipality?

[Vazquez] No, the entire province of Camaguey has 2,700 stores, shops; almost 3,000.

[Castro] Oh, ok.

[Vazquez] Of those 2,700 units, we have remodeled more than 1,500 with the very same commerce workers. Brigades were created with the same workers and we are remodeling, beautifying units.

[Castro] Regarding the treatment of clients, you have built a few new units.

[Vazquez] Yes.

[Castro] You have a brewery for beer. You built one in the city.

[Vazquez] That one is in Ovejito. It is working well.

[Castro] It is in Oveiito. It is similar to the beer brewery.

[Vazquez] We have two like that.

[Castro] Do you have any opinion on how the people are working there? How many area residents go there?

[Vazquez] Up to now, a group of deputies has visited us at those two units. We invited them to the Ovejito Restaurant which you instructed us to build. It is truly a [words indistinct]. We have no complaints. It has no missing inventory. [chuckles] It truly has no missing inventory.

[Castro] How many clients go there a night? You say you serve them a hot dog and a beer. What do you serve them?

[Vazquez] In the two taverns—We built two because you instructed us to build one in Tinima and the other here in the city....

[Castro, interrupting] Yes, this is a replica of the other one.

[Vazquez] We serve sausages and beer. The sausages are very nicely served with lettuce, tomato.

[Castro] That is at the Ovejito?

[Vazquez] We have five specialty plates at the Ovejito.

[Castro] The Ovejito is serving the same sausage served at the Tinima.

[Vazquez] Yes.

[Castro] Then there are two.

[Vazquez] We have three restaurants like that: one at the Tinima brewery, one in the city—which you instructed us to build—and the other in Ovejito, which is the one we built with [words indistinct].

[Castro] You serve several dishes there at. the Ovejito. Do a lot of people go there?

[Vazquez] It is crowded every day.

[Castro] And there is no missing inventory?

[Vazquez] No, there is no missing inventory.

[Castro] Were you able to organize and train the people on how to serve the public?

[Vazquez] We have achieved this. At least at this unit there is a favorable situation. The staff is small, too.

[Castro] Do you plan to win the battle of paying attention to clients? That is one of the most difficult battles we have.

[Vazquez] We are....

[Castro, interrupting] It seems that it is another very pressing battle because it almost involves the country's survival.

[Vazquez] We have also....

[Castro, interrupting] But, you plan to win the battle of attention to clients there?

[Vazquez] We are working on that. We even have a training policy for all personnel. We also have a gastronomy and service polytechnical institute to which we send our youths. We graduate almost all the youth and we incorporate them. We have plans to fulfill this objective. In addition, we have a strong policy of demands. The administrator who has such things as missing inventory, which was discussed here this morning, cannot be an administrator. He cannot work in the commerce sector. We are working hard on this. About 70 percent of the province has no missing inventory now. We have worked on this and we continue to work on this. [passage omitted]

[Castro] The people's government is a world, a world we have to penetrate more, a world that must have more financial control. The task of financially controlling that world, which was conceived as several independent republics, lies in the law and [words indistinct]. We even had to create an office to assist the local people's governments because there was no organic unit between the central government and the people's governments. They have 1.4 million workers and a large number of very important and decisive services. Culture is one of these. I do not have the slightest idea how that area is progressing.

Each municipality—the small one, the big one, each one—has its own leaders. They have their own bureaucracy, inflated personnel roster, and everything. I think that we need a group of surgeons in the national assembly to dissect the municipalities—not all of them, just a few—to find out what goes on there. No one knows. What type of people are chiefs? It is enough that a culture director is good for something. That is very good. It must stop if he is good for nothing. It is a disgrace in this whole area of culture.

Another area where a lot of other people are involved is the education sector. There are professors, teachers, [chuckles] all of them are involved at the level of the municipality.

What is the life of a municipality? It is something that I, at least, ignore. I am not familiar with the life and miracle of a municipality. [Words indistinct]. These are many of the defects of the state. Municipalities are also part of the state. They represent state organs in the form of people's governments. They have a tremendous number of facilities and attributions, but a municipality is a world apart. Municipalities depend heavily on

cadres, the politicians who are managing the municipality, the president of the people's government, [words indistinct] municipality. This has been discussed a lot in the assembly meeting. There should be nonprofessional people among the executives of the municipalities. This has been discussed a lot and I think it should form part of the process of perfecting the people's government. But how [words indistinct]?

I think that one of the functions the people's government should (?perform) is to analyze, observe, study, and exert control through its commission. A comrade just spoke on what they saw in three municipalities. It seems that [words indistinct] if not a task of the organs of the people's government. We must get involved in that world. The life, well-being, and who knows how many other things of our people depends on that world. [Words indistinct]. The central government could (?not) fulfill these tasks. This concept was discussed here but I never really understood it well, the concept of double subordination is a strange thing, one of those inventions that people invent. We have seen all sorts of inventions in the world. I had to find a practical solution.

One day I called a meeting of the health sector. They were very much representative and very much from the independent powers of the independent republics of Cuba. I told them: You do what the Public Health Ministry tells you. The people's governments [words indistinct] [claps hands once] without support. I think that the public health minister has little authority over the public health of the people's governments. He has very little. According to the law, he has none at all. It is methodological. What is methodological? [Words indistinct] specialists of all kinds. Family doctor programs must be created. If the central government had not done this, I do not know how we would ever have had such a program. [claps hands once] We would never have had a program creating medical schools if the central government had not promoted all these activities and constructed the medical schools and, afterward, distributed these opportunities.

The same thing happened in the education sector. Many times, the central government and the people's governments were warring with each other. They were jealous of each other's authority regarding all these programs. It was also a methodological problem.

I had to have a meeting with the education sector and I told them: You follow the instructions of the education minister. I do not know what is meant by methodological. I still do not understand what the methodological phenomenon is. [claps hands once] I think it is a bottomless lake. The people's governments all seemed different. The people's governments seemed foreign. I do not favor centralization. I do believe, however, that some things have to be centralized, but I think it is crazy for a developing country to decentralize the [words indistinct] for investment so that everyone begins to do whatever he wants to do.

I think that the assembly has to serve a very direct and active function through its commissions. It has to do what is necessary. If it must relieve some of its deputies so they can dedicate themselves to these tasks, then it must be done. I am not saying this with scorn. [chuckles] What I mean is that some of the professional deputies can do this so they can observe, analyze, study, support, promote and, to a certain degree, control the work of the municipalities and the provinces, but, above all, the work of the municipalities. We must study this and know what is going on. We must be familiar with the life and miracle of the people's governments, and we must do this as soon as possible.

If you want to relieve 100 comrades from their daily responsibilities and they can be relieved, then I recommend that you relieve them. They can also be replaced where they are. We are all replaceable. If we need 100, 150, or 200 people—there could be an exception—[words indistinct] scientific, a very important task, or specialists whose absence may lead to someone's death if they are not there. However, we need the help of the National Assembly to study all the problems of the people's governments, and I think that no one is more qualified than these National Assembly commissions. They have to have a criteria beginning with [words indistinct].

Ideas are being debated, such as those from Chavez' [Pedro Chavez, president of the Havana City People's Government] and the zone [as heard]. The people's councils are something different for remote areas. We can give them another name, such as urban county, urban council, or something else. I am sure, however, that there is a [words indistinct]. It was demonstrated here in Havana City—and I imagine in Camaguey; it has to have its bottomless lakes there, too—that one does not know how a gigantic municipality is managed. [Words indistinct] to see if, from now until the congress, we can intensify the work of the people's governments to see how they function, how many people they have, what they are like.

[Arnaez] Later, the commander in chief assessed the work performed by Camaguey Province.

[Castro] To tell you the truth, I think that Camaguey is doing great work, very great work in many areas and in a number of programs that we have barely mentioned here. For example, they are cleverly recovering 300 caballerias a year that produced nothing so they can produce [words indistinct] of the dams. They are doing everything there.

We have spoken here of the integral plan, greater integration. Perhaps that may mean we cannot delay the pastures, the dairies, or other places, but the most integral plan.... [changes thought] Camaguey's problem is that it is working on an integral plan. It is building towns, towns with roads, roads with aqueducts, children and child-care centers, schools, family doctor houses, roads, highways, electricity, dams, microdams, irrigation

systems, vessels for calves, vessels for heifers, vessels for everything. They are even developing, although they do not mention it here, earthworm cultivation. At least they are developing this with the hopes of producing meat and other things there. That plan is very integral. I asked if it was worth it but I know its significance. The plan does not say it is integral, rather, it says it strives for greater integrability. It is the most integral plan in the country. [passage omitted]

[Arnaez] It was agreed at the assembly meeting that Villa Clara Province will give its report at the next regular session and that the progress of the food program will be discussed in detail. Fidel recommended that a special meeting be called for the beginning of December to discuss this vital issue, in addition to the regular session scheduled for that month.

This session of the ANPP concluded with remarks by Juan Escalona, president of the Cuban legislature who stressed the importance of the grass-roots delegate and who also said that studies are being done on the structure and operations of the people's governments at different levels.

[Escalona] I think that one must prepare for this. Most of you are grass-roots delegates. You are the delegates elected in the districts. You represent men like these who, at the invitation of the commander in chief, were introduced here this afternoon. One must be a worthy representative of such giants as these who are building the future of our country. We must all make the effort for this.

I think that this session was exceptionally important because it comes at a time when we are debating the call for the Fourth PCC Congress. It comes at a time when at those assemblies, dozens of opinions have been presented on different aspects of our life. I think that the remarks made here by Comrade Fidel, primarily on the problem of government organs, marks for us the start, in practice, of the perfection we desire and for which we are instructed to strive by the call for the PCC congress, by the PCC Politburo, and by our government.

We wanted to gather experience from throughout the country on different experiments, tests, and plans that are being done in different provinces. On occasion I have mentioned experiences from a mountain municipality [words indistinct] San Jose de las Lajas where it is no longer a matter of the authority of a council, but the authority of a deputy, a district delegate, who has been supported by the decisiveness and willingness of an executive committee council and by a president who has given that responsibility and authority to the delegates. Along with the mass organizations and the districts, the deputies decide on the presence, absence, resignation, or demotion of an administrator or director of any enterprise, bakery, butcher's shop, or grocery store. But, in addition, the enterprise directors have to go to the districts. We have removed a number of formalities from the people's government. On Tuesday, on the day of receiving opinions.... [does not finish sentence] I believe that the delegate must always live like a delegate, but as a delegate that our people elected. That is our system's reason for being. That is the most valuable benefit of the socialist democratic system in Cuba. It has to have the support and respect of its executive committees, and, above all, of the illustrious bureaucrats that comprise the leadership bodies, whether they are functional, administrative, or whatever.

* Sugar Industry Workers Receive Wage Increase

90P40087

[Editorial Report] The 23 June 1990 issue of the Havana Spanish-language daily GRANMA reports on page 2 that thousands of Cuban sugar industry workers will receive salary increases as a result of a recently approved resolution which will go into effect throughout the country in the second half of the year.

The announcement was made by Juan Herrera Machado, Minister of the Sugar Industry, at the second plenum of the sugar workers union. He said wage increases will be given to approximately 5000 factory workers who operate boilers, centrifuges, evaporators, filters, ovens, milling equipment, and those who feed cane into the machines.

In an effort to stabilize the workforce in the sugar mills, it was also decided that factory workers who are mobilized for agricultural tasks would receive 40 percent of the wages they would earn in the mills, in addition to the wages they receive for the agricultural work.

Herrera Machado said these measures will help to resolve the problem of fluctuations in the labor force, but he added that attention to man, emulation, and political work must also be increased.

Haiti

Lafontant Backers, Protestors Clash at Law Courts

FL2507184290 Port-au-Prince Radio Metropole in French 1600 GMT 24 Jul 90

[Italicized portions in Creole]

[Excerpts] [Announcer Ketly] Roger Lafontant's partisans returned in force this morning, 24 July, to a position in front of the Law Courts where there was to be another hearing on the Lafontant affair. Anti-Lafontant demonstrators—notably, members of KID [Confederation for Democratic Unity]—in turn, tried to occupy the premises but were routed by Lafontant's men, who remained masters of the field. There were approximately 150 of them today, carrying placards and chanting slogans favorable to the former strongman of the Duvalier regime. There was no police intervention, was there Rothschild?

[Reporter Rothschild] The police arrived shortly after. However, Ketly, regarding the incidents, we must point out that KID had taken the initiative of demonstrating spontaneously this morning in front of the Law Courts to demand

the arrest of Roger Lafontant. This demonstration rallied more than 100 people and began on Champ de Mars Street. According to witnesses, when the demonstrators arrived in front of the Law Courts, Lafontant's followers gathered rather quickly and tried to prevent the KID demonstration from continuing. However, the demonstration did begin. [Passage omitted] Upon arriving in front of the Law Courts, these two groups clashed. The Lafontant partisans who were massed in front of the Law Courts prevented this demonstration from continuing. Witnesses who were present at the scene said both groups threw rocks. [passage omitted]

[Ketly] But first, Rothschild, we must note that Wilfrid Victor of Radio Caraibes was assaulted during the different incidents that occurred this morning. Also, Jean Max tells us that there are, at present, flaming barricades in the vicinity of the Law Courts.

[Mobile unit reporter Jean Max Blanc] *Thanks, Ketly, but, a small correction: It is not at the Law Courts but at the corner of Champs de Mars Street and Boulevard Jean-Jacques Dessalines [Grande Rue] that a number of tires are at present burning.*

However, we'll come back to this later. Let's start at the beginning: This morning, in the vicinity of the Law Courts, it was quite difficult for journalists. A journalist who had just made a statement describing the situation was beaten up by a few men. The journalist is Wilfrid Victor, a Radio Caraibes reporter.

Next, further down a bit, when you get to Blvd. Jean-Jacques Dessalines, between the corner of (?Saint Martin) Street and Blvd. Jean-Jacques Dessalines, there are big flames. According to our information, it seems that the KID men have set tires on fire to protest what happened in front of the Law Courts this morning. [passage omitted]

There are currently Haitian Armed Forces soldiers on Blvd. Jean-Jacques Dessalines trying to disperse the crowd that has gathered to watch what is going on. Radio Caraibes reporter Wilfrid Victor does not want to say any more after being beaten by men he reportedly identified as partisans of Roger Lafontant.

[Rothschild] I must point out that the press is, for the time being, having serious problems covering this kind of demonstration. This morning, Lafontant's partisans made statements hostile to certain Port-au-Prince media. As I said, it is very difficult for journalists to cover such events. We cannot predict, a priori, the reaction of these demonstrators in front of the Law Courts. These Lafontant partisans are even calling certain journalists by name. They are ready to thrash them if they run into them in front of the Law Courts.

In any case, this situation is a very special one, very critical for the press.

Panpra Leader Antonin on UN Military Assistance

FL2507153590 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 25 Jul 90

[Excerpts] It is those who are against elections, people who are against change and people in favor of permanent revolution, who do not even want to hear about military assistance from the United Nations, about having the United Nations supervise elections in Haiti, said Arnold Antonin, a Nationalistic and Progressive Revolutionary Party of Haiti [Panpra] leader. Antonin pointed the finger at radical leftists and Duvalierist conservatives who are pretending to be more nationalistic than the nation, following the request by the Haitian Government and the Provisional Electoral Council [CEP] for military assistance.

The government, political party authorities, and the press must make an effort to make this matter absolutely clear so there can be a general mobilization throughout Haiti in favor of military assistance from the United Nations for the supervision of the elections, said the Panpra leader. He asked extremists of the left and the right not to mix up military assistance with a military invasion.

[Begin Antonin recording] [Passage omitted] What is not clear to me is why, when you are against insecurity—and we see insecurity daily—and there is a request for international solidarity to put a stop to this insecurity, you should get upset. [passage omitted]

Those opposing this are indeed, like you said, a few tiny groups and the Macoutes—and they oppose it for the same reason. In the final analysis it is because they do not want elections. They are afraid of elections. They are afraid for elections to be held. [passage omitted] Some people do not want anything to change in Haiti and are therefore afraid of elections. [passage omitted] [end recording] [passage omitted]

Regarding the rapidly approaching election dates, since the CEP does not seem to be engaging in much electoral activity, Antonin asks the CEP to hurry up. He feels the CEP must not get involved in too many political conflicts, conflicts which must not prevent it from doing its own work—which is to organize elections. This is the only means of getting the nation out of this insecurity mess, this mass confusion.

[Begin Antonin recording] We think the CEP must hurry up. However, we do know that it is working.[passage omitted] We know that we can expect the electoral calendar to be put out at any time. [passage omitted] [end recording] [passage omitted]

Lack of Enthusiasm Over Elections Noted

FL2507160090 Port-au-Prince LE MATIN in French No 29.991, 24 Jul 90 pp 1, 6, 7

[Article by Huguette Herard: "Is There a Pilot in the Plane?"]

[Excerpts] Who still talks about elections in this pollutant bog in which poisonous plants thrive? A few rare, obstinate candidates, the current executive, and the foreigners (Paris, Washington). Yet nothing lends itself to this—even the Provisional Electoral Council [CEP] has had to temporarily drop its obligations and don fire-fighting gear, so explosive is the political situation. [passage omitted]

In any country the slightest bit organized, everyone mobilizes over elections, not just the organizers. Political parties, the government, the Army, and the entire citizenry usually fall into step.

Here, one notes the opposite. A practically generalized demobilization can be seen, especially since the unexpected and disquieting return of the two former ministers—a return that provoked almost generalized panic. Only the Duvalierists did not get excited. On the contrary, they have even expressed astonishment at this generalized public protest, raising by a notch the verbal violence characteristic of the Duvalierists.

Putting aside all electoral concerns, all kinds of leaders resolutely mount their war horses and leave for the war. Democrats from both the right and the left panic before the recovery of the "Macoute" forces with which they do not intend to come to terms. Not unless, say certain moderates, the "non-massacrers" accept the democratic game and the presumed criminals are arrested and tried. This remains a problem as long as the government is careful not to deploy its authority and not take action on these demands raining in from all directions. As proof, the juridico-legal acrobatic government decisions regarding this matter have gone through. Despite orders handed down from higher up, the Army and the police have "not been able" to lay hands on the accused ex-minister; while the summons to appear enforceable by arrest [mandats d'amener] issued by the daring public prosecutor, Bayard Vincent, has been volleyed back and forth like a ping-pong ball.

Another established fact, and one which is important: Everybody knows that the Army is as divided as the political class, which itself is torn asunder by its extremes. One faction of the Army would be quite willing to play the new game, while another appears to still believe in the "virtues" of the old, rotten, system—out of vested interest, indifference, or tradition.

In view of so many contradictions, what guarantee of security can an Army—not united and with a broken hierarchy—offer, when elections are something that affect the future of a nation? That is why the CEP and the government would like UN military aid consisting of 50 advisors for the coming elections. [passage omitted]

Another third arbiter there is no getting around is the foreigner. He remains, at present, the only one to strongly desire the elections. The survival of his system of domination appears to depend on them. Only on that condition does the West intend to provide or resume development aid. Each of his interventions in Haitian matters is to remind everyone of the importance—extraordinarily great, in his eyes—of democratic elections, occulting the profound and flagrant contradictions of all kinds with which the society is riddled. Myopia, lack of interest or arrogance?

Nevertheless, although the external conditions (support of the United Nations, the OAS, and foreign governments, etc.) necessary for the establishment of a definitive government appear to exist, we ourselves have yet to create the **internal** conditions. This is far from easy, so true it is that the current political struggle has been carried along the wrong path, the path of individual and clan interests.

In the final analysis, it is up to the citizens—the electorate or the potential voters—to set these conditions in place, on the basis of a national consensus. Now these, just like the country, remain divided between contradictory currents of opinion. Everything is happening as if the country were condemned to suffer the idiotic violence of Lafontant's men, playing at being troublemakers in the streets; or to face the army-in-reserve of the organizations of the extreme left, screaming at whoever is willing to listen about how fed up it is (antimacoute, antiforeigner, antibourgeois, antieverything.) We are still waiting to hear the voice of the majority which, for the time being, does not seem to be taking any notice of the elections. [passage omitted]

DEA Agents Arrest Two Policemen in Arizona

PA2507050190 Mexico City NOTIMEX in Spanish 0419 GMT 24 Jul 90

[Text] Mexico City, 24 Jul (NOTIMEX)—The Office of the Attorney General has reported that a Mexican police squad commander and a federal police agent, presumably linked to drug traffickers, were arrested today in Arizona by U.S. federal agents.

DEA [Drug Enforcement Agency] agents arrested Fidel Mora Guevara and Alejandro Humberto Oliver Mercado on a road between Tucson and Nogales. At the time of their arrest, the two had $1 million cash in their possession and could not explain how they acquired the money.

The two police agents, who had been assigned to combat the planting and farming of narcotic plants in northeastern Mexico, were being investigated by the Mexican authorities, who believed they could possibly have links with drug traffickers, the Attorney General's Office reported.

The irregular behavior of Mora Guevara and Oliver Mercado had caused distrust among their superiors, but when orders were given to keep them under surveillance, the two left the country for the United States.

When arrested, the Mexican policemen were travelling with two unidentified persons. It has been reported that they had money hidden in the vehicles in which they were travelling.

The Office of the Attorney General has reported that a group of Mexican antinarcotic agents went to Tucson, Arizona, today to gather details to bring the investigations to a close.

The office said that the purge program implemented in the police corps and in the ministries will continue until irregular behavior by corrupt federal police elements is eliminated.

No U.S. Base Authorized in Fight Against Drugs

PA2407000890 Mexico City NOTIMEX in Spanish 2320 GMT 23 Jul 90

[Text] Merida, Mexico, 23 Jul (NOTIMEX)—National Defense Secretary Antonio Riviello Bazan has stated here that in the battle against drug trafficking, Mexico will not authorize the United States to establish a military base in this country.

At the conclusion of a visit to military bases, the secretary said that the Mexican Constitution is very [words indistinct] that one of its P-3 Orion military planes, which have antennas to detect low-flying aircraft, could trespass Mexican air space in search of drug traffickers.

The objection is that if anyone must implement air surveillance, it should be the Mexican Armed Forces. Fortunately, the matter was resolved amicably and nothing else happened, he added.

Regarding the possibility of an arms assembly plant being established in Yucatan, Riviello Bazan said he does not know about such a plan, but that if it is implemented, his office will see that the security of the local population is not negatively affected.

During a recent twin-city convention in this city, the mayor of Glendora (the United States) announced that U.S. investors are interested in opening an arms assembly plant in Yucatan State.

Finally, the secretary of defense said that the Yucatan Peninsula is a peaceful region; therefore, it is not necessary to increase the military personnel in the area.

Costa Rica

Foreign Trade Minister Proposes Area 'Bloc'

PA2407181790 San Jose Radio Reloj in Spanish 1200 GMT 24 Jul 90

[Text] Foreign Trade Minister Roberto Rojas Lopez has said that Costa Rica will propose to the other Central American countries to unite and present a bloc reply to U.S. President George Bush's proposal for continent-wide Latin American free trade. Rojas explained that the proposal will be presented by Costa Rican President Rafael Angel Calderon Fournier at the upcoming Central American summit in Costa Rica in December 1990.

Even though it is easier to negotiate as a Central American common market, the remaining area countries seem unwilling to move foward in foreign trade, such as Costa Rica is doing, and this is why Costa Rica will explore the possibility of a direct bilateral agreement with the United States to enter the free trade system proposed by President Bush. In order to learn what the U.S. Government's position is on this, Foreign Trade Minister Roberto Rojas will travel to Washington to meet on 3 August with Carla Hills, President Bush's trade representative. Minister Rojas said that there is concern that other countries may jump first and enter the free trade system before Costa Rica, such as Mexico, where talks are very advanced. Rojas explained that this harmed Costa Rica because foreign investments got sidetracked.

Businessmen Block Road at Panama Border

PA2407133290 San Jose Radio Reloj in Spanish 0100 GMT 24 Jul 90

[Text] Costa Rican businessmen backed by Panamanian truck drivers are maintaining the road they established in Paso Canoa early Monday morning. The businessmen say they will maintain this stand until the president of Panama decides to receive them so that they may request the restoring of privileges they had been enjoying, but which were eliminated recently.

President Endara's measure eliminating permits that allowed Panamanians to make purchases in Costa Rica is aimed at eliminating the intense smuggling of food from Costa Rica.

Since 0800 today, dozens of businessmen who have seen how their sales have dropped in recent days because of the measure have placed bamboo stalks, big boxes, and other objects on the road to prevent passage between the two nations as a sign of protest.

El Salvador

Rebels Tell of 'Possibility' of New Offensive

PA2507222690 Mexico City NOTIMEX in Spanish 2008 GMT 25 Jul 90

[Text] San Salvador, 25 Jul (NOTIMEX)—A group of Salvadoran guerrillas raided a town this morning in the northern sector of the country and told the town residents, most of them peasants, about the possibility of launching a new military offensive.

According to reports provided by one of the residents of San Francisco Morazan, a town 75 km from San Salvador, the rebels "stayed all night in the town" and remained there until 0715, but the soldiers did not show up.

"The rebels called us to a meeting and said that if no agreements were reached, or if the issues discussed in the dialogue were not disclosed, they would probably launch an offensive," the San Francisco Morazan resident reported.

Meanwhile, the rebels reported that in the past two weeks, 70 soldiers from the elite "Bracamonte" Battalion—which operates in the zone where the rebels' raid took place—have been killed or wounded.

The rebels report adds that 10 civil defense members were killed in the most recent clashes in various sectors of the northern Chalatenango Department.

Military spokesmen have reported that five rebels have been killed and 10 others wounded during a Farabundo Marti National Liberation Front [FMLN] attack on military positions in Cinquera, Cabanas Department.

The Armed Forces Press Committee has admitted that two soldiers were killed and five were wounded during the above attack.

According to the source, two other rebels were wounded during skirmishes in the past few hours between Bracamonte Battalion soldiers and FMLN rebels near Guazapa Hill, 25 km north of San Salvador.

Meanwhile, unidentified men hurled an explosive device at a private vehicle on the Panamerican Highway, 25 km from San Salvador, killing two people. The source added that Alejandro Molina and his son Alcides Cornejo were killed during the attack on 24 July.

Army on Alert After Failure of Talks

PA2607000890 Paris AFP in Spanish 2323 GMT 25 Jul 90

[Text] San Salvador, 25 Jul (AFP)—Salvadoran General Staff Chief Colonel Rene Emilio Ponce said today that the Salvadoran Armed Forces remain on the alert because of a possible guerrilla offensive resulting from the failure of the peace talks that are being held in Costa Rica.

In statements to the press, Ponce said that "the fact that the guerrilla movement continues to threaten to launch a new offensive is condemnable from all points of view," but he warned, "we are on the alert to defend the people."

In view of the failure of the talks with the Salvadoran Government, which are scheduled to end in Costa Rica today, the Farabundo Marti National Liberation Front (FMLN) insisted today that an offensive is "imminent."

Ponce admitted that the Salvadoran people have had great faith in the talks between the government and the FMLN, which began in Costa Rica on 20 July, and added that "we as the Armed Forces are hoping for the attainment of some positive agreements."

Ponce asserted that "the Armed Forces have made efforts to present specific proposals to the FMLN" and that "the Armed Forces support the idea of a general amnesty for the guerrillas and the creation of a Court of Honor, which would monitor human rights in El Salvador."

Ponce added: "We are willing to discuss any topic. We are not afraid of discussing any issue dealing with the Armed Forces."

In addition, Salvadoran Defense Minister General Rafael Humberto Larios said that "the fact that no significant agreements were reached during the meeting in Costa Rica is natural and normal because the dialogue is a difficult process."

Larios, however, expressed "hopes that a cease-fire could be reached in September."

Today, Larios and Ponce appeared before the Salvadoran Legislative Assembly to present the annual Defense Ministry report.

As for the purging of the Armed Forces, one of the main topics of discussion presented by the FMLN in the negotiations, Larios said that "it is not an easy topic of discussion and that it has to be discussed fully, because there should not be impunity for anybody in El Salvador."

Larios, however, warned that "there is no way the FMLN will impose its criteria and will on us. We are a legitimate institution, and we have our own laws on this matter; therefore, we will maintain the positions that we have advocated thus far."

Larios Denies Pact With Honduras on FMLN

PA2607022190 Panama City ACAN in Spanish 2302 GMT 25 Jul 90

[Text] San Salvador, 25 Jul (ACAN - EFE)—Salvadoran Defense Minister General Humberto Larios denied today that there is a commitment between the Salvadoran and Honduran Armies to fight the Salvadoran guerrillas in border areas of the two countries.

"That is not true. We are friends of the Honduran Armed Forces, and any relationship between us is normal," Larios told the press, after presenting a report to the Salvadoran Congress on his work as defense minister over the past year.

Gen. Larios was responding to guerrilla charges that Honduran troops entered Salvadoran territory in northern Chalatenango Department killing a peasant.

The Farabundo Marti National Liberation Front (FMLN) said these incursions are part of an "alliance" between the two armies to fight the Salvadoran rebels.

The military leader said the FMLN perhaps had some "difficulties" with Honduran troops in the border area, where the rebels have their main bases in Morazan Department, approximately 170 km northeast of the capital.

"If they (the Salvadoran guerrillas) have had difficulties (with the Hondurans) as they carry out their strategies and military actions, I am unaware of them," Larios stressed.

Meanwhile, Colonel Oscar Alberto Leon, commander of Military Detachment No. Four, headquartered in San Francisco Gotera, capital of Morazan Department, has told ACAN-EFE that the Army will investigate the charge, but he added that it "might be a guerrilla trick."

"We are undertaking a thorough investigation because the alleged incursion occurred in an undelimited border area," the military chief added.

El Salvador and Honduras have a century-old border dispute over 450 square km of territory where troops from either nation cannot enter. They also have a dispute over more than 30 islands on the Gulf of Fonseca, which is being heard at the International Court of Justice.

End of Talks Delayed Due to Disagreements

PA2607023190 Panama City ACAN in Spanish 0145 GMT 26 Jul 90

[Text] San Jose, 25 Jul (ACAN - EFE)—Last minute disagreements are delaying the signing of an agreement on human rights issues in the meeting between the Salvadoran Government and the Salvadoran guerrilla movement. This meeting is scheduled to end in Costa Rica today.

The end of the meeting has been postponed several times as both delegations are holding intense last minute discussions with Peruvian Alvaro de Soto, UN Secretary General Javier Perez de Cuellar's representative to the talks, in order to reach an agreement.

Although the topics causing the disagreements have not been officially released, it has been learned that the guerrilla movement and the Salvadoran Government have failed to agree on the date on which the UN mission, which both sides have asked to verify the human rights situation in the country, should begin operating.

While the Farabundo Marti National Liberation Front (FMLN) hopes that this mission will be formed and will begin operating before the signing of a cease-fire agreement, the government wants the rebels to cease their hostilities before the commission begins operating.

Today, sources from the two delegations said that they had reached an agreement in principle on the creation of the said UN mission, which would have "extended powers" to investigate possible human rights violations in El Salvador.

The disagreements that are delaying the signing of the agreement also include the situation of the political prisoners—approximately 600 according to the guerrilla movement—whose release the FMLN hopes to attain with the help of the UN mission.

In addition to the date on which the UN mission should begin operating, the Salvadoran Government and the FMLN strongly disagree on the Salvadoran Army's future, although the two parties agreed to discuss that point of the agenda during the next round of negotiations.

Sources close to the talks have indicated that the two parties are also trying to agree on a method that will facilitate the discussion of the Army issue during the next meeting. The Army issue is considered the main point of the agenda and the one that will determine the signing of a cease-fire agreement and the attainment of peace.

[Paris AFP in Spanish at 0105 GMT on 26 July carries a report that says: "Despite the stalemate of the talks regarding the Armed Forces issue, which appears as the first point in the agenda of negotiations to attain a cease-fire agreement by mid-September, the two conflicting sides will return to the negotiating table in San Jose within three weeks."]

7 Killed, 18 Wounded in Army, Rebel Clashes

PA2607034090 Paris AFP in Spanish 2027 GMT 25 Jul 90

[Text] San Salvador, 25 Jul (AFP)—The Armed Forces have reported that clashes between the Salvadoran Army and guerrillas since 24 July have left seven dead and 18 wounded.

Five guerrillas and two soldiers were killed in bloody clashes near Cinquera, 70 km east of the capital. Ten guerrillas and five soldiers were also wounded.

The military report indicated that two guerrillas and one soldier were wounded in two clashes in various areas of northern El Salvador.

The military sources reported that the Farabundo Marti National Liberation Front (FMLN) attacked positions of the National Guard in the northern outskirts of San Salvador on the night of 24 July, but there were no casualties on either side.

Sources also reported that the insurgents occupied the town of San Francisco Morazan in northern Chalatenango Department this morning. They gathered the people in the main square and told them that a large-scale offensive will be carried out if the talks the FMLN is holding with the government in Costa Rica fail. The talks are aimed at reaching agreements to end the 10-year-old armed conflict.

Guatemala

Unidentified Men Slay UCN Deputy Reyes

PA2507184290 Panama City ACAN in Spanish 1735 GMT 25 Jul 90

[Text] Guatemala City, 25 Jul (ACAN-EFE)— Guatemalan Deputy Otto Rolando Ruano Reyes of the Union of National Center (UCN), the country's top political force, was murdered in eastern Guatemala today.

UCN sources disclosed that unidentified men shot the deputy and Roberto de Jesus Espinoza, another UCN member who was accompanying him, near San Jose Acatempa, Jutiapa Department, 91 kilometers from Guatemala City.

The reason for the murder, which occurred less than four months before the Guatemalan general elections, is unknown.

Minister Says Rebels, Traffickers Join Efforts

PA2407222490 Guatemala City PRENSA LIBRE in Spanish 21 Jul 90 p 8

[Text] Government Minister General Carlos Augusto Morales Villatoro said yesterday said that rebel groups and drug trafficking bands have joined efforts, in some cases, for their individual activities, thus making the struggle against drugs more difficult.

The official said that sometimes the rebels need weapons and ammunition, while the drug traffickers need protection. In other words, he added, they need and help each other for their own purposes.

Morales Villatoro commented on some international dispatches that pointed to the possibility that Guatemala might become a nurturing ground for marijuana and cocaine production.

He emphasized that the struggle against drugs will be easier when a peace agreement is reached with the insurgents. In this way, drug traffickers will be left alone, and the security forces will have an easier time fighting them.

Morales Villatoro said that although the struggle is effective now, many times this activity is limited because of a lack of equipment. As an example, he cited the case of El Peten Department, in the Guatemalan jungle, where the authorities need helicopters and special vehicles to counter the actions by drug-trafficking bands.

Army Spokesman on Human Rights Violations

PA2407230990 Guatemala City Teleonce Television in Spanish 0400 GMT 24 Jul 90

[Italicized passages are recorded]

[Text] The human rights attorney general today reiterated his call that the state security forces conduct in-depth investigations on charges that personnel of the

Army, National Police, and Civil Self-Defense Patrols are violating human rights. Human Rights Attorney General Ramiro de Leon y Carpio bases his stand on charges filed at his office during the first half of this year.

Meanwhile, official Army spokesman Colonel Carlos Fernando Duran said that certain charges can be confirmed, but others cannot.

[Duran] *The human rights attorney general reported that 119 charges on human rights violations by the Army were filed. The Defense Ministry has received 80 charges, of which 34 are under investigation, 21 are already at the Defense Ministry's Secretariat pending the minister's signature, and 25 have already been forwarded. Of the 80 charges presented by the Human Rights Attorney General's Office to the Defense Ministry, a total of 46 have been investigated and solved.*

The national defense minister is in constant and direct contact with the human rights attorney general. The ministry is currently coordinating efforts with the Human Rights Attorney General's Office to establish a system of guiding and training not only the country's security forces, but also the volunteer committees and guest commissioners.

Many of these charges have turned out to be false, others have had some reason to be, and those who warranted trials have been tried.

In assessing international charges against Guatemala, Col Duran said that an analysis of such charges shows that they come from institutions that do not even have legal status and that are subjected to other organizations that control them. He directly accused the USSR of being interested in destabilizing Guatemala.

[Duran] *There are a number of institutions that are virtually fronts for stronger ones, such as communism. For example, the USSR is interested in creating instability in Guatemala to continue its Marxist-Leninist penetration.*

Col. Duran pointed out that it is even possible to know in advance when Guatemala will be criticized. He asked: Who in the world does not violate human rights?

[Duran] *People's tribunals and (?parliaments), as the media reported over the weekend, have said that Guatemala will be condemned for violating human rights. But who in the world does not violate human rights?*

Honduras

Callejas To Meet With Banana Company, Workers

PA2507190490 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 25 Jul 90

[Text] There were meetings at the Presidency this morning to discuss the Sitraterco [Trade Union of Tela Railroad Company Workers] strike. Honduran President Callejas today said that he could meet tomorrow with the management of the Tela Railroad Company and its workers during his northbound trip:

[Begin Callejas recording] It depends on the atmosphere created by my presence. I could exchange views with them; I will do that, but my final role to find a solution to the conflict will depend mainly on the preliminary talks that I will be holding with the two parties. [end recording]

Although he will be visiting Copan and San Pedro Sula tomorrow, the president will seize the opportunity to hold talks with the parties. Callejas said that this will not be a direct intervention of the chief executive in the negotiations, because he does not believe that such action is appropriate at this moment.

The National Security Council discussed the strike today. The main concern is that it has lasted 30 days and has reportedly caused $3.2 million in losses. Also, the multinational is reportedly about to decide to leave Honduras, although the president denied this. Callejas said that he contacted the multinational company and that is not its intention.

However, the truth is that there will be a general strike should the Tela Railroad Company and its workers fail to reach an agreement:

[Begin Callejas recording] Yes, that depends on a break in the negotiations with Sitraterco. I told them that this is a very difficult situation for the country, and let us not forget that the economy of Honduras is very fragile; we depend on bananas for our survival.

They do not seem to realize that a general strike is a last resort. A general strike is not a problem among labor unions, because in the end the government, like it or not, must intervene to solve the problems of a general strike, and this has very complex implications. [end recording]

The president will travel tomorrow and will certainly seize the opportunity to hold talks with the two parties. It is expected that his intervention will end this conflict.

Industrial Association Withdraws From Cohep

PA2507200390 Panama City ACAN in Spanish 2035 GMT 23 Jul 90

[Text] Tegucigalpa, 23 Jul (ACAN-EFE)—The National Association of Industrialists (ANDI) today confirmed its withdrawal from the Honduran Council for Private Enterprise (Cohep) due to internal differences regarding the government-sponsored "adjustment" program.

ANDI President Edwin Rosenthal attributed the break to the "pro-government" position adopted by Cohep President Richard Zablah.

Rosenthal said that "Zablah has defended the government's position to the detriment of private enterprise."

Industrialists feel affected by certain measures within the economic "adjustment" program Honduran President

Rafael Leonardo Callejas is promoting, among which is the nonapplication of the temporary importation rule.

"Some of the official measures are a miscalculation," Rosenthal said. Rosenthal upholds the view that Zablah behaves "as if he were the government minister and not a businessman's representative."

Rosenthal conditioned ANDI's return to Cohep to Zablah leaving the presidency. The Cohep is considered the most influential private business pressure group.

Zablah responded by simply calling ANDI's position "childish."

The current neoliberal government "adjustment" program, in effect since March, caused internal disagreement in wide-ranging sectors of the Honduran society, with some opposed and others favoring the "package."

Fishing Problems Continue With Nicaragua

PA2407202290 San Pedro Sula TIEMPO in Spanish 24 Jul 90 p 4

[Text] Foreign Minister Mario Carias Zapata said on 23 July that over the weekend Nicaraguan authorities had captured a Honduran fishing vessel in the Atlantic Ocean. He complained of the "harsh laws" in Nicaragua, which forbid the immediate return of the fishing equipment of the fishermen arrested by Nicaragua.

Carias said that the situation in the Gulf of Fonseca "is still a problem." He said that Honduras is making efforts to obtain the release of the fishing equipment seized from the fishermen arrested for being in Nicaraguan terrritorial waters.

He said: "Since June, we have been meaning to request the Nicaraguan Government to return the fishing equipment of the fishermen arrested in the Punta Condega area." He also said that there are no Honduran fishermen in jail in Nicaragua.

He said that since the time of the Sandinist regime, the Nicaraguan authorities "have had the bad habit" of charging exhorbitant fines if you wanted have the equipment returned.

Carias said that "we are making all efforts to have the equipment returned and to stop the arrests."

He explained that the Honduran Navy is constantly patrolling the Gulf of Fonseca, but that due to the vast area, it cannot be patrolled 24 hours a day.

According to Carias, there has been an upsurge in fishing in the gulf recently.

He said: "Apparently people want to be on site at the fishing banks to await the ruling of the International Court of Justice at the Hague. This is somewhat hasty, because that ruling will come down at the end of this year or the beginning of next year."

Referring to the capture of a fishing vessel in the Atlantic Ocean in the sector known as Half Moon Keys, Carias said that officially he knew nothing, although there have been preliminary reports the vessel was in Nicaraguan territorial waters.

Nicaragua

Official Calls for Friendly U.S. Role

PA2507184390 Mexico City NOTIMEX in Spanish 0352 GMT 25 Jul 90

[Text] Mexico City, 24 Jul (NOTIMEX)—Alfredo Cesar, secretary general of the National Assembly of Nicaragua, gave a warning today that the United States "ought to play the role of a friend and a supporter if it wants to continue being a player in that country. [quotation marks as received]

Interviewed on his arrival in Mexico, Cesar said that no further meddling by foreign powers will be allowed in Nicaragua "because they were instrumental in the current economic crisis in the nation."

He said that the Nicaraguan Armed Forces do not represent a threat to any neighboring country and stressed that his country will pursue whatever course its people wish and dictate.

During this process, when "birth is being given to democracy, it will not be necessary to expel opposition leaders—a case in point being Daniel Ortega—with the argument that it is to keep them from hindering development."

Business Official Says FSLN Rules Country

PA2607034290 Mexico City NOTIMEX in Spanish 0058 GMT 26 Jul 90

[Text] Managua, 25 Jul (NOTIMEX)—The opposition Sandinist National Liberation Front (FSLN) of Nicaragua has yet to turn over power and that is why President Violeta Chamorro's government is "moving very slowly," business leaders said today.

Gilberto Cuadra, president of the Higher Council for Private Enterprise (Cosep), told a local radio station that the Sandinists are not only "ruling from below," as they claimed after their electoral defeat, but also continue to be "an armed party."

"What can a civilian, who carries the presidential sash with the best intentions and with more legitimacy that any other president in Nicaraguan history, do if she has an armed party facing her?" Cuadra said.

The leader of the influential business group added: "They gave her the presidential sash, but the (Sandinist) Army-party stayed on, controlling Nicaragua."

Cuadra, who has criticized the government for its "lack of firmness" when facing the Sandinists, resigned from the ministry of construction and transportation before being sworn in.

Even though no official explanation was given, private sector sources have said that he presented his resignation as a form of protest because Chamorro had decided to keep General Humberto Ortega as head of the Army.

"We could have had an exemplary democracy, but it seems that someone who has the weapons is still saying: I am the law. I am in command here even though I was not elected," the businessman said.

He said that the government is "moving very slowly" because it cannot maintain public order or social peace—given that the National Police are somehow participating in the disturbances.

President's Bodyguard Killed in Gun Accident

PA2607004290 Managua Radio Catolica in Spanish 2308 GMT 25 Jul 90

[Communique issued by the Government Ministry in Managua—date not given]

[Text] Edgar Molina Zamora, a 34-year-old member of the Nicaraguan president's security personnel, died on 23 July after the regulation weapon of a fellow member of the security personnel accidentally fired as he was cleaning it. Molina Zamora was hit in the stomach and immediately taken to the Carlos Roberto Huembes hospital, where he died at 2030.

Edgar Molina Zamora had been an activist of the National Opposition Union, UNO, during the past electoral campaign. He had recently taken a personal security course at the Walter Mendoza Police School. The individual who fired the shot has been turned over to the judge advocate's office in order to determine the responsibility in this case.

Extravision Program Back on the Air 25 July

PA2507193390 Managua Sistema Nacional Television Network in Spanish 0330 GMT 25 Jul 90

[From the independent newscast "Extravision"]

[Text] Good evening, dear listeners. We are back on the air. As everyone in Nicaragua knows, we have been off the air since Tuesday 10 July. As everyone in Nicaragua also knows, we were forced off the air in violation of all our rights.

The might of being right and the attitude of the Nicaraguan people, who unanimously rejected the aribitrary termination of our newscast, basically contributed to our being back with you again today. We were always sure that we would be back. We always believed that justice would prevail.

This was not the first time that the Extravision newscast was terminated. Under Somoza, the newscast was discontinued for being serious, for being professional, for being responsible, for having the people's credibility, and for having a large audience.

We are back with the same principles. We are back with the same spirit of serving the Nicaraguan people. Extravision is open to all sectors, youths, housekeepers, workers, peasants, professionals, producers, political parties, and the government of the republic.

Extravision wants to contribute with a democratic communication outlet to the development of our beloved Nicaragua.

We only want to stress that Extravision is ready to sue those who caused acts of aggression against freedom of expression. However, as a gestue of goodwill, preserving our right to defend the principle of freedom of the press, we have desisted from filing suit. Thank you, people of Nicaragua.

Panama

Free Zone Concession Holders Issue Communique

PA2607035790 Panama City CRITICA LIBRE in Spanish 25 Jul 90, pp 1, 2

[Communique issued by the Association of Concession Holders of the Colon Free Zone in Panama—date not given]

[Text] Communique on the position of the Association of Concession Holders:

1. The Association of Concession Holders of the Colon Free Zone, in defending legitimate national interests and rights in a democratic framework that is essential for the existence and development of commercial activities, is of the opinion that the acts of force that occurred on 23 and 24 July in the Colon Free Zone, which is the source of thousands of jobs for Panamanians, are completely deplorable and go against the freedom of the private enterprise and the right to work that all citizens have.

2. Acts of force irreparably damage the image of Panama, especially the image of the Colon Free Zone, in the eyes of the international community.

3. We support the Colon Free Zone administration's efforts to safeguard the rights of the free enterprise.

4. We reject acts of force that go against the free transit rights of people and vehicles.

5. We demand proper protection for citizens and their assets.

6. We ask the authorities to permit the participation of the Association of Concession Holders of the Colon Free Zone in decisions having to do with international commercial activities.

7. We urge the national government to face the responsibility it has to enforce the law so that democracy may rule the country and we may fully develop our economy.

Association of Concession Holders of the Colon Free Zone

Wellington Fun L.

President in charge

Carlos Castillero

Second Vice President

Chamber of Commerce Supports Zone

PA2607040990 Panama City LA PRENSA in Spanish 25 Jul 90 p 12-A

[Communique issued by the Chamber of Commerce, Industries, and Agriculture in Panama City on 23 July]

[Text] To protect and defend the legitimate interests and rights of our members and free enterprise within the national territory, the Panamanian Chamber of Commerce, Industries, and Agriculture, aware of its responsibility, states the following:

1. The National Government must once and for all eliminate the privileges granted to individuals who, under cooperatives, unions, or other kinds of organizations, disloyally compete with the private enterprises established in Panama.

2. It is essential that the right to freedom of movement established by our Constitution be respected. In this regard, the Public Force must guarantee that both businessmen and workers can travel daily to their jobs.

3. In the difficult moments the country is experiencing, it is vitally important that the National Government act with determination and strength to prevent self-interested minorities from hindering the advancement of democratic institutions that will permit investments that will mainly benefit the more than 150,000 unemployed Panamanians.

4. We express our most resolute support for the administration of the Colon Free Zone, the members of the Association of Colon Free Zone Users, and the Panamanian and foreign workers who honestly work for Panama.

Issued in Panama City on 23 July 1990.

President Ricardo Aleman

Ford, Zone Manager on Strike End

PA2607044390 Panama City Circuito RPC Television in Spanish 2300 GMT 24 Jul 90

[Italicized passages are recorded]

[Text] The situation in the Colon Free Zone is returning to normal with the suspension of the strike that was declared yesterday by the members of the Serafin Nino Transporters Cooperative in Colon.

The transporters, who were requesting respect for rights that had previously been extended to them, and the immediate resignation of Jaime Ford Lara and Gerardo Harris, Colon Free Zone manager and assistant manager, respectively, yesterday blocked entry into the Free Zone area, thereby preventing all commercial activity in the area. Negotiations, which began last night, concluded at approximately 0500 today, after some of the transporters were arrested by order of the governor of Colon Province.

Colon Mayor Alcibiades Gonzalez, who formed part of the negotiating commission, comments on the agreement.

[Gonzalez] *They presented a list of some 11 points, 10 of which were discussed. The only point that was not broached—and we had said from the outset that it was not open to negotiation—was the dismissal or other removal of manager Jaime Ford Lara and assistant manager Gerardo Harris from their posts. That is within the purview of the Panamanian state. It is up to the Executive Branch to make decisions regarding people in high-ranking positions who were appointed by that branch.*

The agreement provides for the users of the Free Zone or merchants to continue to have their own transportation vehicles and to replace those vehicles whenever they are unserviceable for one reason or another. If a company can show that its production index has increased, then the Colon Free Zone Transportation Commission, which includes both transporters and users, can grant permission to the company to purchase another vehicle.

[Reporter] *When will this agreement be presented to the Free Zone management?*

[Gonzalez] *This agreement will be presented perhaps by tomorrow.*

Meanwhile, labor activist (Omayra Albade), a member of the negotiating commission, commented on an incident that occurred during the negotiations, which lasted until early this morning.

[(Albade)] *Before reaching a decision, without even consulting with our rank and file—and some of our organizations needed to do so, we were taken aback by instructions from the minister of government and governor of the province, Jose Huc, who ordered our arrests. All of us who were there were told that we had been arrested. This was indeed carried out, so much so, that the governor—and I have to say this—took out a revolver and pointed it at one of our comrades. There could have been a death there, but God was there. The mayor had to intercede to prevent a tragedy. The governor told us that, by order of Minister Arias Calderon, he was obliged to repress us in that manner and take us into custody, because we did not want to sign those agreements.*

Some of the organizations signed the agreements at noon today. Asezol [Association of Free Zone Employees] has not signed it.

The situation in the Free Zone was returning to normal today at noon, after members of the Public Force cleared up the entrance to the Free Zone by order of the governor of Colon Province.

Gerardo Harris, deputy manager of the Free Zone, has said that the agreement that was reached through negotiations should be carefully reviewed by the board of directors of the Colon Free Zone.

[Harris] *We hope to receive the text of the agreement soon because, undoubtedly, we should carefully analyze it, and it should later be presented before the board of directors of the Free Zone, who will ultimately make the decision as to whether the agreement is favorable or not for the interests of the Free Zone.*

Free Zone manager Jaime Ford Lara has commented on the economic losses that resulted after the stoppage in economic activities inside the Free Zone.

[Ford] *According to preliminary reports, we estimate that the economic losses for the two days of the strike are approximately 20 million balboas. However, these reports are not accurate. What worries me the most—as well as the Colon Free Zone community and the honest, honorable, and hard-working people in Panama, particularly in the city of Colon—is that the international image of the Colon Free Zone is being adversely affected by the strike.*

[Reporter] *What have been the agreements reached between the government and the workers to end the strike?*

[Ford] *The Colon Free Zone has not reached any agreement. We always told the transporters that we never failed to comply or respect any of the previous decrees. By the way, as I have said before many times, on 19 July, we received correspondence from the Government and Justice Ministry that entrusted the regulations of the handling of cargo in the Colon Free Zone to the board of directors of the Free Zone. On 20 July in the afternoon, we passed the aforementioned information in writing to these gentlemen so that they would submit to us in writing their demands to sit down and talk.*

However, they went ahead with this illegal strike on 23 July. They tried, by using blackmail, to force us into negotiating with them, which we refused. We never participated in the talks that took place on 23 July because we always demanded, as a prerequisite, that they leave the area on their own.

Vice President Guillermo Ford has stressed that the government will not allow these types of work stoppages, which adversely affect the national economy.

[Ford] *I respect the people's right to protest, but I cannot condone the fact that just for the sake of protesting they have damaged an institution like the Colon Free Zone. This problem will be resolved by the board of directors of the Colon Free Zone, which will be meeting this week. They [transporters] have to start thinking that monopolies will disappear; there should be freedom to compete.*

FP Director on Training Antiriot, Border Agents

PA2607042790 Panama City EL SIGLO in Spanish 25 Jul 90 p 18

[Report by Aneldo Arosemena]

[Text] Raul Arias de Para, the new Public Force [FP] finance director, has reported that 200 special FP agents in the antiriot unit—which he called "mob control"—are currently in training. He said the special group is being professionally trained and equipped to put down public disorders.

Arias de Para, who is an important Christian Democratic Party member, also said that FP personnel will be recruited when the police academy starts operations. He added that the number of people recruited will be within the limits set by the Legislative Assembly: 12 to 126 FP members.

The new FP finance director and former 1984-1989 deputy legislator reported that the FP will initially recruit 100 people to replace agents who have retired, been fired, or are awaiting trial. The young recruits must be between 18 and 25 and have a high school degree to enter the police academy.

The finance director was questioned about purges in the FP and if followers of Noriega remain in the forces. He stated that a thorough purge had been carried out in the FP. The evidence that such a purge was carried out is that only two colonels of the five who originally existed remain in the FP. The two that remain are [Col. Moises] Correa and [Col. Eduardo] Herrera, who was recently promoted. There were 17 officers in the lieutenant colonel ranks and now there are only four. Among them are [Lt. Col Fernando] Quezada, [Lt. Col. Armando] Palacios Gondola, and [Lt. Col. Gerardo] Garcia. Also, 40 of the 90 majors have been purged as well as 30 to 40 percent of the captains.

The new FP official said that purges are ongoing, but they are now being carried out through the Judicial Branch. An example of this would be Luria [not further identified]. Arias said that FP officials are aware that a few followers of Noriega remain in the forces, as well as some who are still at the Comptroller General's office, the National Bank, and all the ministries. He added that it would be foolish to believe that Noriega followers do not exist.

Arias de Para noted that war materiel was not being purchased currently, and it had not been included in the budget because there was sufficient equipment in stock. When the finance director commented on policemen's complaints about the lack of equipment, he added that not only large-caliber weapons were needed but—as in all government sectors—they also need communication equipment, radios, and vehicles.

Commenting further on "mob control" and border police units, the official said that these groups will be well equipped. He added that several meetings have been

held to discuss the formation of these two important corps that will be responsible for riot and, especially, border control.

Arias de Para rejected criticisms about his appointment and said that he did not understand the reasons for these doubts, as his past actions and efforts were unquestionable. He noted that his membership in a political party was a personal matter. However, he added, it was the best guarantee of his professionalism, because the work carried out for more than 21 years by both he and Arias Calderon were evidence of their anti-military positions.

Assembly Strips 3 PRD Legislators of Immunity

PA2507234490 Panama City EL SIGLO in Spanish 25 Jul 90 p 6

[Report by Yali Enrique Pitti]

[Text] Legislator members of the Assembly Commission of Credentials, Interior Justice, Regulations, and Legal Affairs presented its final report on 24 July to the Legislative Assembly, which decided to strip the parliamentary immunity of legislators Balbina Herrera de Perinan, Elias Ariel Castillo Gonzalez, and Alberto Aleman Boyd.

The commission, headed by Raul Ossa, decided that there are grounds to file charges against PRD [Democratic Revolutionary Party] legislator Balbina Herrera de Perinan, for her alleged involvement in the murder of Armando Moran Munoz, who was killed during a political demonstration on 30 August 1987 in San Miguelito.

The commission also asked that immunity for legislator Alberto Aleman Boyd be withdrawn because of his alleged involvement in electoral crimes, corruption of government officials, embezzlement, and illegal association for crime.

The commission also decided to strip PRD legislator Elias Castillo Gonzalez of his immunity because of his alleged involvement in crimes of misappropriation and embezzlement in the Panama municipality.

It has been reported to EL SIGLO that the mentioned legislators, who are all PRD members, went to Mexico as soon as the commission began studying the possibility of lifting their immunity. These legislators are currently campaigning strongly against Guillermo Endara Galimany's democratic government from Mexico.

Police Investigating Actions Against State

PA2407222390 Panama City CRITICA LIBRE in Spanish 23 Jul 90 p 28

[Text] David—Edgar de Puy, governor of Chiriqui Province has told CRITICA LIBRE reporters that the police are conducting an exhaustive investigation to determine who is responsible for attacks against the state.

The Judicial Technical Police and the governor's office began an investigation after a second electrical post was blown up. The power line carrying energy to Gualaca and Tole was blown up near Las Lomas de David.

The bomb was apparently detonated by a fuse.

According to De Puy, dynamite was used in the first bomb. Investigations are continuing to determine what explosive was used in the second bombing.

The blast, which went off at 0200, was heard as far away as 10 km.

Banking Director on Growth in Banking Activity

PA2507174090 Panama City LA ESTRELLA DE PANAMA in Spanish 22 Jul 90 pp 1,A-2

[Report by Juan Carlos Duque M.]

[Text] The recorded figures that have been provided by the National Banking Commission [CBN] show a satisfactory pattern of behavior in the banking activity during the first semester of 1990, which highlights the stability and confidence in the institutional life of the country and its perspectives.

CBN Executive Director Ernesto Boyd S. has stressed that figures showing a growing trend in every aspect of banking activity are registered every month of 1990. He stressed that after the first six months of 1990 the growing trend of banking activity remains, which increases the liquidity of the banking system.

Boyd said that the liquidity in Panamanian private banks has increased by six percent; in mortgage banks (government and private) by 13 percent; and in government banks by 22 percent.

According to the statistical figures reported by Ernesto Boyd S., the liquid assets deposited in the Panamanian private banks increased by 79 million balboas; in mortgage banks by 104 million balboas; and in government banks by 440 million balboas.

A source consulted by LA ESTRELLA DE PANAMA has said that these reports are more than encouraging, revealing, and promising concerning the future, given the fact that the restrictions on time deposits were lifted as recently as the second week of July. The lifting of these restrictions has been normal and healthy for the banking system.

Total deposits in the Panamanian banking system showed a remarkable increase in the first semester of 1990. They went up to 1,382 billion balboas. It must be noted that local and foreign private concerns account for

more than 37 percent of this increase, an increase that, in balboas, represents 514 millions.

Boyd stressed: "A total of 129 million balboas in new deposits, in public and private banks, as well as 385 million balboas in foreign banks, make up this increase."

It was added that an increase ranging from 60 to 65 million balboas (20 percent) in the internal balances of local checking accounts shows the dynamism of trade, middlemen, and economic activities in general during the first half of this year, "with its positive effect on the creation of jobs."

Boyd said that the reopening of bank branches and "the promotion of new products to improve bank efficiency and performance" have become evident at a time when there are also signs of trust in the stability of the institutions and the country's outlook.

Boyd emphasized that banking, finance, and law professionals paid special attention to this dynamism.

Argentina

Menem Labels Alleged Coup Plot 'Nonsense'

PY2507223890 Buenos Aires DYN in Spanish 1615 GMT 25 Jul 90

[Text] Buenos Aires, 25 Jul (DYN)—President Carlos Menem today ridiculed and described as "nonsense" an alleged intelligence report widely disseminated by the media which stated that Colonel Mohamed Ali Seineldin, retired, was supposedly heading a plot to overthrow him.

"It is an irresponsible rumor which has been disseminated by small groups who are used to living in a dictatorship, and not in a democracy," the president said during a chat with journalists in Government House this week.

According to press reports published today, which in turn are based on an alleged official intelligence report, an alleged plot headed by Seineldin and civilian groups, known as the "Spring Plan" was to take place next 31 August.

According to the reports, the plot should have had a "minimum" objective of removing the current Army leadership, and a "maximum" objective of taking power by the alleged civilian-military group headed by Seineldin, following Menem's ousting and the murder of politicians and journalists.

The alleged plot was also labeled as "an invention, nonsense," by retired Army officers who participated in the Holy Week, Monte Caseros, and Villa Martelli uprisings, and who are Seineldin followers.

In turn, Menem described the alleged plot as "nonsense." He said: "I give it little importance, and I will not adopt any measures, in any case, the appropriate organizations may do so."

Interior Minister Julio Mera Figueroa admitted that the alleged "Spring Plan" rumor "is something which we investigated, but I cannot assert whether this plan was going to be carried out or not." The "Spring Plan" was made public last weekend when mentioned by political analysts.

Mera Figueroa, who spoke with journalists in the Metropolitan Airport shortly before travelling to Formosa Province, offered: "Even though someone could try to carry out this kind of plan, it would be totally crazy."

Meanwhile, military officers identified with the Army "painted faces" sector, flatly rejected any connection with the mentioned plan. They said: "We believe that there is some kind of maneuver, we do not know where it comes from, but we suppose it could be similar to the 1985 'plot' invented during Raul Alfonsin's administration."

"If we weren't convinced that there is something to this, for example the intention to put us in prison, it would be laughable," a lieutenant colonel close to Seineldin told DYN.

The military said they began consultations with Seineldin himself, to study whether or not to make a public declaration denying any responsibility for the plan, and even to give an explanation to the Army Staff.

Menem Discusses Bank Secrecy, Money-Laundering

PY2507140790 Buenos Aires TELAM in Spanish 1239 GMT 25 Jul 90

[Text] Buenos Aires, 25 Jul (TELAM)—Regarding the possibility of modifying bank secrecy for Argentine money deposited in banks abroad, President Carlos Menem said today that "there is no intention of pursuing anyone who has taken money out of the country. What we are trying to do is detect money- laundering by drug traffickers."

This morning in remarks to journalists accredited at Government House, Menem said: "Capital has no fatherland." He stressed: "All of those who have taken money out of the country and have nothing to do with drug trafficking can rest easy."

Cuba's Robaina Addresses Anniversary Rally

PY2407154490 Buenos Aires CLARIN in Spanish 22 Jul 90 p 9

[Report by Carlos Roberto Bairo]

[Text] Half of the crowd had not yet been born when Fidel Castro led the attack on the Moncada Garrison on 26 July 1953 and many of those who were holding placards with pictures of Che Guevara were still in diapers when the guerrilla died in Bolivia in October 1968.

Nevertheless, everything proceeded as if no time had passed: a little over 2,000 people—mostly young people—gathered on 20 July at Ferrocarril Oeste Soccer Stadium to express their solidarity with Cuba on the occasion of the upcoming anniversary of that event, which marked the introduction of the bearded ones into society.

The performance befitted the occasion. An Argentine flag and a Cuban flag framed a large poster which read: "Solidarity with Cuba in the face of the Yankee aggression." The majority of the audience were members of the Communist Party, but members of the Buenos Aires branch of the Intransigent Party were quite noisy. There were also representatives from half a dozen small groups, but not a single MAS [Movement Toward Socialism] representative. There were messages to commemorate the occasion and also some expressions of support (from the Mothers of Plaza de Mayo, among others). Of course, there was also the usual burning of the U.S. flag.

Miguel Brugueras del Valle, the new Cuban ambassador to Argentina, was also present, as was Peronist Deputy Jose Ramos, who is a member of the Group of Eight [faction of the Peronist Party]. Representatives from the three Communist Party factions were also there but they did not mingle with the latter group.

Roberto Robaina, first secretary of the Cuban Union of Young Communists [UJC] and an alternate member of the Communist Party of Cuba Politburo, who is 34 years old and was not even born when the attack on the Moncada Garrison took place, was the star of the evening. Robaina, a small man with a swarthy complexion, is a spirited speaker, and he rallied the crowd several times, notably when he said that "our country is capable of resisting 30 years, 80 years, or 100 years in the shark's mouth." The evening reached its peak when Robaina stated that the evidence that Cubans support socialism is shown by the fact that "rifles are kept in factory and university cellars."

In his speech Robaina did not make any specific reference to the current situation in Cuba, but he did not overlook another touchy issue: East Europe. Robaina said that "those who believe that because socialism failed in some countries they are going to wake up one day to the news that Cuba has fallen, are wrong."

He closed his speech with a soccer metaphor, saying that he is sure "Argentina shouts goal when we are able to score against imperialism and when we score another victory." The rally broke up quite quickly.

Kidnapped Son of Trade Union Leader Found Dead

PY2607004890 Buenos Aires TELAM in Spanish 0011 GMT 26 Jul 90

[Text] Buenos Aires, 25 Jul (TELAM)—Interior Minister Julio Mera Figueroa tonight officially confirmed that the body of Guillermo Ibanez, the kidnapped son of petroleum trade union leader Diego Ibanez, had been found.

It has also been reported at Government House that President Carlos Menem will go tomorrow at 1100 to the city of Mar del Plata to convey his condolences to the family of the slain young man.

Guillermo Ibanez, who was 28 years old, was kidnapped on 6 July in the Peralta Ramos district of Mar del Plata, and his body was found on the outskirts of Mar del Plata.

Mera Figueroa's statement was released to reporters by Fernando Niembro, Interior Ministry mass media secretary, who also noted that no further details on the case will be released from Government House.

$40 Million Monthly Ceiling on Debt Payments

PY2607013290 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0004 GMT 26 Jul 90

[Text] Buenos Aires, 25 Jul (NA)—Economy Minister Antonio Erman Gonzalez tonight reaffirmed the Argentine Government's decision to maintain the monthly ceiling of $40 million for foreign debt payments to the creditor banks.

Gonzalez made these remarks at the end of a long meeting held tonight at Government House by President Carlos Menem with the members of the Foreign Debt Defense Committee.

Bolivia

Paz Zamora Praises Bush Andean Proposal

PY2507132890 La Paz La Red Panamericana in Spanish 1130 GMT 25 Jul 90

[Text] Praising the U.S. President's proposal for Andean countries, Bolivian President Jaime Paz Zamora has said: George Bush is an honorable president who is capable of accepting the point of view of a country such as Bolivia, which has so many limitations.

Speaking about President Bush's proposal to establish preferential treatment for Andean countries and to extend aid to promote agricultural development by opening the U.S. market to Peruvian, Bolivian, Colombian, and Ecuadoran products, Paz Zamora said that this is proof of the U.S. commitment to support the countries that struggle against drug trafficking.

Paz Zamora added, however, that the change in U.S. attitude toward Latin America is a result of the need to participate in the current economic and human potential offered by Latin American countries.

The Bolivian president said that in addition to showing interest in the recent changes in Europe, the United States has also shown its interest in Latin America through investment programs and financial cooperation in promoting alternate development programs.

[Begin Paz Zamora recording] We must also take into account the fact that East European countries must still go through the entire democratization process that Latin American countries have already experienced. Latin America is offering attractive possibilities for investments and trade.

Bolivia has already shown this, being one of the countries that has made the necessary changes to be a good partner in investment and trade with developed countries. [end recording]

Capobianco Urges Opposition To Support Democracy

PY2507142390 La Paz La Red Panamericana in Spanish 1130 GMT 25 Jul 90

[Excerpt] Bolivian Interior Minister Guillermo Capobianco has said: We would be elated if the self-styled Zarate Willka organization ceased to promote an uprising against the system and decided to join the democratic system, as has happened with similar groups in several other countries. Capobianco said this in reference to the Tupac Amaru Revolutionary Movement, a Peruvian guerrilla movement that has expressed its willingness to hold talks with the Fujimori administration.

Capobianco, who praised this attitude, added: We also praise the decision of Colombia's M-19 [19 April Movement] to lay down its arms and contribute to the establishment of democracy in the Americas. Capobianco urged all groups that oppose the current government system to support democracy. [passage omitted]

Brazil

Chilean President Arrives, Begins Official Visit

PY2507193090 Santiago Radio Chilena Network in Spanish 1700 GMT 25 Jul 90

[Report by special correspondent Nelson Oteisa from Brasilia]

[Text] Chilean President Patricio Aylwin, stressing Chile's desire for integration, has begun a two-day tour of Brazil. After his visit here he will head for Peru to attend the presidential inauguration [on 28 July].

Aylwin was welcomed by Brazilian President Collor de Mello at the Brasilia international airport, where he received military honors and was greeted by other Brazilian officials. On board the FACh [Chilean Air Force] plane that carried him to Brasilia, Aylwin said that this visit marked the beginning of a new stage in which the Chilean Government will seek to increase participation at the international level.

[Begin Aylwin recording] We think it is necessary for countries to jointly analyze their problems, and we can attain this objective through frequent, personal exchanges. It is important for presidents to be able to personally exchange opinions through official documents and also through closed-door meetings, which help expedite negotiations. This visit is quite significant, especially in terms of the traditional Chilean-Brazilian friendship that we want to strengthen. We want to pave the way for negotiations that can benefit the two countries. [end recording]

Regarding the possibility of establishing a common market in Latin America, Aylwin said that this project will not be easy to implement because of the differences in the economic systems of the region.

On the subject of his upcoming talks with Bolivian President Jaime Paz Zamora in Peru, Aylwin said that they will probably discuss several bilateral matters. He ruled out, however, a discussion on Bolivia's landlocked situation.

Aylwin is now at the Chilean Embassy in Brasilia, where he will stay during his official visit to the country. Aylwin's first official activity will be a working meeting with President Collor de Mello at 1630 Chilean time [2030 GMT].

Meets With Collor

PY2607021890 Santiago Domestic Service in Spanish 2300 GMT 25 Jul 90

[Report by Graciela Contreras from Brasilia]

[Excerpt] Chile and Brazil may jointly analyze U.S. President George Bush's economic proposal to reduce trade tariffs in trade between the United States and the Andean countries. This was reported by Brazilian Foreign Minister Francisco Rezek following the working meeting between Presidents Fernando Collor de Mello and Patricio Aylwin. Economic and trade ministers and advisers also joined the meeting later. Minister Rezek said the following in Planalto Palace, Brasilia:

[Begin Rezek recording] Without doubt there is such possibility, and that is what we want. They also talked about an understanding regarding their political stance on the international scene. Brazil and Argentina have put this understanding into practice twice recently. I was in Chile when Presidents Collor and Menem jointly answered two proposals made at the Houston summit. We have informed President Aylwin about this fact, and naturally we informed him that it would always be better and more practical if one voice could be raised for three, four, or five Southern Cone countries. None of the countries represented would be obliged to speak jointly, nor is there an extreme need for it to do so. Whenever a country wants to it could speak on its own behalf, but when several countries uphold the same idea it would be better to raise a single voice for all of them. [end recording]

The Brazilian foreign minister also said that Chile will be invited to the so called Rio Group which will gather in Caracas next October to discuss the subject of integration. [passage omitted]

Vice President To Attend Regional Inaugurations

PY2607020690 Brasilia Domestic Service in Portuguese 2200 GMT 25 Jul 90

[Text] Vice President Itamar Franco will represent President Fernando Collor de Mello at the inauguration of Peruvian President-elect Alberto Fujimori on 28 July. Itamar Franco will return to Brasilia on 30 July.

On 8 August, he will again represent President Fernando Collor de Mello at the inauguration of Colombian President-elect Cesar Gaviria. The vice president will attend the inauguration in the company of Brazilian Ambassador to Colombia Alvaro da Costa Franco Filho.

Ford Workers Damage Plant, Strike Near End

PY2607022890 Brasilia Domestic Service in Portuguese 2200 GMT 25 Jul 90

[Report by Carlos Gilberto Alves from Sao Paulo]

[Text] The strike being staged by the Ford plant workers may end today. The workers' leaders are now holding a

meeting to discuss the company's counterproposal. Before the meeting, the workers staged another riot at the plant. Federal Police will investigate today's riot and the one on 20 July.

At about 1400 [1700 GMT] this afternoon, hundreds of metalworkers invaded building number one of the Ford do Brasil Company, where the administration and industrial relations departments are headquartered. Almost all the windows of this building had been broken in the last riot. The glass was replaced yesterday, and today they were again broken. The invaders remained inside the building for nearly one hour and destroyed pieces of furniture, telephone equipment, and video sets. They also totally destroyed the industrial relations manager's office. Police were summoned but they did not clash with the workers. Three fire brigades were also summoned because apparently a fire had been started. Today's riot was smaller than the one on 20 July and by 1600 the situation was again calm.

At 1700, the 900 metalworkers who have been on strike for 45 days now, started a closed meeting in the plant's cafeteria. The assembly is being coordinated by CUT [United Federation of Workers] Chairman Jair Meneguelli, and Vicente Paulo da Silva, chairman of the Sao Bernardo Metalworkers Labor Union.

Some 5,000 workers are waiting in the plant yard for the end of the meeting to start another meeting in which they will discuss the possibility of holding another meeting to seek a joint solution to the strike.

In Brasilia, Labor Minister Antonio Rogerio Magri rejected the riots staged at the Ford plant. He believes the unions must be more understanding regarding what is happening in the country, and should not offer Brazilian society denigrating examples such as those staged at the Ford plant.

* Technological Advances, Setbacks Viewed

90SM0163A Rio de Janeiro O GLOBO in Portuguese 17 Jun 90 p 53

[Text] Brazil's old war to win a small spot for itself in the realm of scientific and technological knowledge—in a world where the possession of know-how has become more important than the possession of resources—is currently suffering a setback due to international and especially domestic political changes leading to less funding and across-the-board personnel cutbacks that can disrupt research teams.

But this is merely one more battle that may be lost. It does not mean the end of the war. As a matter of fact, Brazilian scientific and technological development reminds one of a cake dough which grows bigger and bigger the more it is kneaded. In Brazilian research, necessity is more than the mother of invention; it is also the father. The big coordinated development programs have always been more a reaction to situations of the moment than the reflection of a coordinated planning process. And things could not have been otherwise in a country where there is no tradition of long-term planning and where everything in the economy changes from day to day.

But a few big and significant coordinated programs in science and technology have produced good results. The biggest—and the ones having the greatest influence on the life of the citizen—are certainly those in the field of energy: the nuclear programs, the programs for mastering petroleum technology, and the alcohol program, although the alcohol program is now partly at a standstill.

Actually, the development of domestic science and technology owes a great deal to Petrobras [Brazilian Petroleum Corporation], whose activities began with the "Petroleum Is Ours" campaign of the 1950's, continued through the policy for nationalizing equipment that followed the oil shock, and have now brought it to its current challenge—that of exploiting, as a world pioneer, the very deep offshore wells in the Campos Basin.

The oil crisis in the mid-1970's was also a springboard to the nuclear program, which has carried the mark of secrecy since its beginnings—sometimes to the point of reminding one of espionage movies. But it is certainly the most organized program in the country and has already yielded results such as the enrichment of uranium to 20 percent and led to projects for building nuclear-powered submarines and mini-nuclear power plants as well as producing radioisotopes and nuclear byproducts such as materials and equipment.

Despite its current problems, Proalcool [Alcohol Production Program] has made Brazil the leader in the use of a "clean" fuel. Moreover, it has generated technology in the automobile industry and in the production plants and made it possible to reuse products formerly considered to be merely pollutants, examples being sugarcane residuary liquor and bagasse, which can now be processed into animal feed and fertilizer.

The Antarctic Program may be an exception, since its establishment did not come about as a result of economic or social needs but rather for geopolitical reasons. Besides keeping an eye on the frozen continent's minerals, Brazil had to set up a base there and send teams of scientists periodically so as to be a member of the club of nations having rights and a voice in the region.

That opportunity has been well utilized despite the lack of funds, but it is amusing that Brazil should have an organized program for the Antarctic but not for Amazonia.

In the field of space, the first Brazilian-built satellite is ready to go and is merely waiting for a rocket to launch it, since the rocket being designed here is behind schedule. But the technology for the collection and interpretation of satellite data has been mastered, chiefly with respect to photographs showing the destruction of tropical forests.

The country is ahead in traditional biotechnology—the kind concerned with the manipulation of natural properties—but behind in modern biotechnology (the creation of new organisms from cultured cells, a much more sophisticated field that is emerging in the industrialized countries). Although the applications of traditional biotechnology are of immediate importance to agroindustry, for example, it is modern biotechnology which will enable countries to occupy strategic positions in a world market involving billions—a market which has now left the pages of fiction to become a part of daily life.

The immense and unexplored genetic bank existing in Amazonia is attracting the attention of scientists all over the world, while Brazilian researchers, lacking funds and infrastructure, are struggling to establish their first research centers.

In medicine, the lack of a fully organized research network is not preventing the development in isolated centers of modern techniques (such as those in cardiology in Sao Paulo) and of basic knowledge in institutions such as the Oswaldo Cruz Foundation. Meanwhile, the know-how acquired as a result of exhaustive research on specific problems (tropical diseases, for example) will enable the country to occupy vacant spaces on the international stage and guarantee it a place in a system of scientific exchange.

Nuclear Energy: Development at All Costs

Since its first beginnings, the history of the Brazilian Nuclear Program has been one of arduous struggle—filled with secrets and mysteries—leading to the mastery of a technology whose importation has always been banned by the nuclear powers.

Admiral Alvaro Alberto was doubtless the great architect of the program in the 1950's. And ever since then, the program has been marked by an atmosphere of espionage: the legend says that when the United States prevented the importation of two ultracentrifuges from the FRG for the enrichment of uranium, the admiral chose to smuggle them in.

The importance of the nuclear program is unquestionable. Through atomic fission, one obtains energy, radioisotopes for medicine, agriculture, and industry, and the so-called power of deterrence—meaning nuclear weapons such as bombs and nonconventional submarines.

But it was in 1967 that the National Nuclear Energy Commission began studies for the country's first nuclear power plant, which had been purchased from a U.S. firm. It was the oil crisis in the mid-1970's, combined with growing energy demand, which launched Brazil into more ambitious plans. An agreement was signed with the FRG, but it resulted in very little actual technological transfer.

The so-called Autonomous Nuclear Program was born precisely because of the lack of technological transfer under the Brazil-FRG agreement and also because of the need to develop nuclear technology without international safeguards.

The fact is that the nuclear program, the existence of which has now been publicly admitted, is one of the most important programs and the one taking the most funds. It has already succeeded in enriching uranium to 20 percent (for use in submarines and nuclear reactors or for the production of radioisotopes), and small reactors for submarines or mini-nuclear power plants are now being developed at Aramar (the Navy's experimental center in Ipero, Sao Paulo). The Air Force and Army have research projects concerned with the enrichment of uranium by laser and a graphite-moderated reactor.

But the Aramar Experimental Center is the big star. Inaugurated in 1988, it is experiencing money problems as it reaches its second anniversary. That is where the Coordinating Office for Special Projects (Copesp), which is the agency of the Ministry of Navy responsible for the project, has been working on the enrichment of uranium.

Aramar processed 400 kg of uranium in 1989, and plans call for enriching 4,000 metric tons this year. That will make it possible to supply fuel for the reactor at the IPEN [Institute for Nuclear and Energy Research], which has not operated at full capacity since 1980 due to the lack of enriched uranium. The only producer of radioisotopes for medical use, the IPEN currently supplies 1,700 hospitals.

No Coordinated Program for Amazonia

Although it is one of the Brazilian Government's priorities, Amazonia does not yet have a coordinated and consistent research program. Studies and documents exist, but most of them are scattered. There is also rhetoric, as is pointed out by the national secretary of science and technology, Jose Goldemberg, who draws attention to one more problem: the lack of communication between the National Institute for Amazon Region Research (INPA) and the National Institute of Space Research (INPE).

Goldemberg recognizes that there has been great progress in the activities of the two institutes, but he wants the INPA to do on the ground what the INPE has been doing from out in space. And he promises to transform the INPA by giving it a department to carry out soil analysis and collate that information with the data processed by the INPE through its satellites.

The major goal for Amazonia, according to Goldemberg, is to zone the area, and he says that "this is something to be done now." He also provides a clue by saying that the work is to be completed in 1992. It is one of the credentials that Brazil will have to present to the world at the Second UN Conference on Environment and Development, which will be held here and on which the government is going to focus its attention.

The secretary of science and technology also considers it important to keep Brazilian science and technology programs centralized in some manner so as to ensure the rational distribution of federal funds. According to Goldemberg, decentralization could lead to the unequal allocation of funds to programs and projects. The clearest example, according to one of Goldemberg's advisers, is the Brazilian Nuclear Program developed by the Navy, Air Force, and Army.

Goldemberg wants to increase federal investments in his sector from 0.7 percent to two percent of gross domestic product by the end of the Collor administration. Jose Goldemberg has obtained a line of credit from the IDB [Inter-American Development Bank] that will inject $100 million into the country by the end of this year for financing laboratories associated with universities. The secretary has two projects and one program which he considers the "touchstone" of his administration. They are the projects for zoning the Northeast and Amazonia and the energy program.

Offshore Petroleum a National Challenge

When the success of the "Petroleum Is Ours" campaign resulted in the establishment of Petrobras in 1955, that did not mean that the petroleum would be extracted using domestic technology. On the contrary, projects, designs, surveys, machinery, and even the key technicians were foreign. The construction materials used were designed to withstand severe winters, and even today, offshore production platforms have slanted roofs to prevent the buildup of snow.

The history of Brazilian technological achievements in the field of petroleum has been written over a period of three decades. It began with the effort to master the technology for identification and discovery and ended with complete expertise in the design, construction, and operation of petrochemical complexes.

But the achievements by what is one of the country's oldest and most important scientific and technological development programs have not always been a matter of steady progress. The "economic miracle" in the early 1970's brought funds. The oil crisis in the middle of that same decade served to accelerate the program for technological Brazilianization—which now amounts to 95 percent—in response to fears that the country would become completely vulnerable in the strategic sector of basic fuels. It was also during that period that the Garoupa field in the Campos Basin was discovered, a discovery which made more technological development necessary, since Garoupa is an offshore well located under 400 meters of water.

But one of the most important technological leaps in the petroleum industry began in the mid-1980's, when the huge Marlin offshore field was discovered—also in the Campos Basin—at a depth of from 400 to 1,000 meters. The prospect of total self-sufficiency in petroleum brought with it a big challenge: that of developing the technology for exploiting petroleum in deep water, which at the time did not exist anywhere in the world. And in four years, the so-called Program for Technological Expertise in Deepwater Exploitation Systems (Procap) has invested $40 billion to gain access to four billion barrels (60 percent of Brazil's estimated reserves).

"Petroleum from deep wells currently supplies six percent of consumption, but in the year 2000 it will supply 59 percent. That explains the importance of this program. We expect to spend another $20 million so that by the year 2000, we will be in a position to use those reserves," says Marcos Assayag, coordinator of Procap.

Petrobras' major technology-generating center is its research center, Cenpes [Research and Development Center], which is located on Fundao Island in Rio de Janeiro. And the star member of Cenpes is Procap, which has more than 100 projects underway—90 percent of them concerned with deepwater expertise. That is where the first entirely Brazilian semisubmersible oil platform is being developed.

Biotechnology not Progressing

Biotechnology products are now a part of daily life, and they constitute one of the four strategic areas on which the government is focusing (the others being fine chemicals, informatics, and new materials). But progress has slowed down. According to Jose Goldemberg, secretary of science and technology, biotechnology is in a stage that is "primitive and without innovation."

In the opinion of Luiz Antonio Barreto de Castro, a researcher at the National Research Center for Genetic and Biotechnological Resources (Cenargen), that is not a true description of the situation. There are currently 104 laboratories or groups working on the development of agricultural biotechnology in our country. Studies cover technologies that are firmly established in Brazil, examples being the biological control of pests and diseases, immunological testing, genetic mapping, and embryo transfer.

Radovan Borojevic, a scientist at the UFRJ [Federal University of Rio de Janeiro] Chemistry Institute and the Bio-Rio Foundation, says that there are no doubts as to the development of traditional biotechnology in the country—most of it stimulated by Proalcool. But the situation in modern biotechnology, which has been developed mainly over the past 10 years, is different: Brazil is trying hard not to withdraw from a race in which the only other developing countries so far are India, Pakistan, and Venezuela.

While traditional biotechnology is concerned with manipulating the natural properties of existing organisms, modern biotechnology, which is much more sophisticated, seeks to create new beings from cultured cells. For example, "instructions" can be inserted into the genetic material of a bacterium to cause it to synthesize a protein useful to man.

One thing worries researchers: Brazil does not legally recognize property rights and patents in the field of

biotechnology. Establishing a means of protecting intellectual property would stimulate productivity and promote access to technology in the developed countries.

The program is now achieving noteworthy results, chiefly in the form of products: pharmaceuticals produced from Brazilian plants, biological insecticides, and food additives. Currently under way is the identification of a broad-spectrum antibiotic based on a bacterium found in the Negro River.

* Dauster on Reclassification, New Bank Funding

* Reclassification No Cause For Concern

90SM0188A Sao Paulo O ESTADO DE SAO PAULO Economic Section in Portuguese 7 Jul 90 p 3

[Text] Special Ambassador for Foreign Debt Affairs Jorio Dauster gave assurances yesterday that a possible decision by financial officials in Washington to reclassify the medium- and long-term loans to Brazil and include this country on the list of high-risk debtors will have no practical effect, except perhaps on the American banks themselves. Reclassification forces those banks to set aside special reserves to cover late payments by certain debtor nations, but "most of the banks already have substantial reserves to cover their loans to developing countries. In some cases, these amount to more than 50 percent of the risk." Furthermore, "no new money is coming into Brazil anyway, and no bank has yet announced that it would resume making loans," he added.

Dauster believes that the comments on a possible reclassification were made for internal consumption, that is, by the U.S. financial institutions themselves and by the U.S. Congress since that country is experiencing a crisis in the savings and loan sector because of losses in excess of $200 billion. "Lots of people are criticizing the policies of the officials who supervise the market, as our Central Bank does. It is possible that this position is being taken because of the climate of opinion there," he commented. He recalled that rumors about a reclassification of loans to Brazil also circulated in March, but nothing actually happened.

The ambassador also said that if such a measure were taken, it would not have significant political repercussions for Brazil: "It would not be an expression of lack of faith in the Collor Plan." If reclassification were to occur, Brazil would be classified in the "value impaired" (high-risk debtor) category. Argentina has been on that list for more than a year now. The criterion for such a move is simply the existence of arrearages in the payment of the foreign debt. Brazil has not made any debt service payments since July 1989.

* Debt Conversion May Fund New Trade Bank

90SM0188B Sao Paulo O ESTADO DE SAO PAULO Economic Section in Portuguese 4 Jul 90 p 1

[Article by Suely Caldas]

[Text] Rio de Janeiro—The new Banco de Comercio Exterior [Foreign Trade Bank] will have among its partners foreign bankers whose credits could be converted into shares in that institution. These are the so-called debt-equity conversion operations, once denounced—and therefore suspended—by former Minister of Finance Mailson da Nobrega but now rehabilitated as a powerful instrument for attracting funds to support export credit operations.

Special Ambassador for Foreign Debt Affairs Jorio Dauster approves of the idea of capitalizing the new bank via debt conversion, and justifies it by saying that it is in the government's interest to negotiate the best possible discount on these operations (currently Brazilian debt instruments are traded overseas at a 70 percent discount) and use this as a bargaining tool to obtain new loans from creditor banks. The inflationary impact of such transactions, which require the issuance of currency and expansion of the monetary base would, as Dauster sees it, be softened by strict compliance with budgetary programming in order to do the least damage to inflation control efforts.

During his trip to Europe this week, Eduardo Modiano, president of Banco Nacional de Desenvolvimento Economico e Social (BNDES) [National Bank for Economic and Social Development] received a flood of proposals from European banks that are owed money by Brazil and are interested in participating in the capital of the new bank, already dubbed "Eximbras" in a reference to the U.S. Eximbank. Debt-equity conversion is of great interest to creditor banks because, from their standpoint, it is much more advantageous than the alternative—selling Brazilian debt instruments for 30 percent of their value on the secondary market overseas. Furthermore, they will be investing in a bank that might turn a good profit, and they will have one of the strongest loan guarantees available on the financial market—the exported goods themselves. The government's idea, said Dauster, is also to give official credit institutions, like the World Bank, an opportunity to participate.

According to Jorio Dauster, the Brazilian Government wants to set up a bank that is different from all the models of foreign trade banks found in other countries. The State will be a minority shareholder and it will be up to the private partners to attract funds to back up the lines of credit. The primary function of the Brazilian bank, according to Dauster, would be to finance the production and export of made-to-order goods that have a long production cycle, (that is, would take one to two years to manufacture), and could never be exported without a linked credit transaction calling for payment over at least five years. These would be ships, aircraft, machinery, capital goods and other custom-made items whose manufacturers are practically idle right now and faced with the prospect of laying off employees because they cannot sell their products on either the internal or foreign market.

Even Banco do Brasil, which has been vying with BNDES for authority to monopolize export credit—obviously within the traditional model of using Treasury funds—may now be attracted by the idea of an association with Eximbras. The reason is that BB [Banco do Brasil] is Brazil's largest creditor, with $7 billion in loans already past due, part of which could be converted into cruzeiros to capitalize the new bank. BNDES, however, is not at all enthusiastic about the new bank because it had been dreaming of taking over the role of financier to Brazilian foreign trade. [Boxed item]

BB Owed $8 Billion

One of the purposes behind the government's interest in creating Banco do Comercio Exterior is to transfer to that institution the commerical and political risk of making export credit available to Third World countries, a risk that used to be assumed by the Treasury. Thus it would avoid what has become one of Brazil's biggest problems in the foreign area—collecting on overdue debts of $8 billion owed by countries in Africa, Latin America, and Eastern Europe.

Poland alone has owed Brazil $2 billion since the end of the 1970's, as a result of an episode that became known as the case of the "polonetas"—the name given to the paper with which Poland "paid for" Brazilian exports—an incident that benefitted the company owned by then-Secretary General of the Treasury Ministry Jose Flavio Pecora. The paper was exchanged for cruzeiros that went to pay off Pecora's firm, while the Treasury was defrauded by $2 billion.

Many of the countries that owe money to Brazil went into default when they started to experience a foreign exchange crisis, especially after 1982. But Brazil does not want to cut off the flow of trade to them.

* BC To Modify Foreign Exchange Operations

90SM0188C Sao Paulo O ESTADO DE SAO PAULO Economic Section in Portuguese 6 Jul 90 p 3

[Text] Within two weeks, at the most, the Central Bank will begin extending the deadlines for the transactions known as Advanced Fixing of Exchange Contracts (ACC). At present that interval is 30 days, but within three months it will have been stretched to 90 days, the director of the BC's Department International Operations, Emilio Garofalo Filho, said yesterday during a seminar sponsored by the Central Foundation for Foreign Trade Studies (Funcex) to discuss new Brazilian policies for the sector.

Honorio Kume, technical coordinator of rates in the economy secretariat's Department of Foreign Trade, said that the government's aim is to eliminate, by the end of this year, all administrative controls exercised over imports by government economics agencies. "Control will be effected solely via tariffs and exchange policy," he assured the group.

Garofalo Filho reaffirmed the economics team's intention not to interfere in the floating rates market, and denied that exchange rates are running behind. "There are lots of ways to calculate a lag," he observed. "You can take a figure, and update it by some index; you do this selectively, trying to arrive at the best rate for some point in the past and the index that gives you the greatest lag in the present," he said.

The trade balance item has definitely lost its preeminence. "The surplus is being thought of as a consequence of export and import policy, not as a goal as it was before," said Mauricio Assis of the Foreign Trade Department of Banco do Brasil. "The flow of trade, not the trade balance, is the priority."

The mixed commission that within 60 days is to submit the proposal for creating the Banco de Comercio Exterior is scheduled to meet on Thursday. Joao Cunha, under-secretary of the economy and coordinator of the commission, characterized the funding possibilities as "multiple," and mentioned insurance companies as important instruments for attracting funds, given the long-term profile of their investments.

* Collor Alone in August Inflation Forecast

* New Freeze Rumored

90SM0188D Sao Paulo O ESTADO DE SAO PAULO Economic Section in Portuguese 8 Jul 90 p 4

[Article by Maria Aparecida Damasco]

[Text] Businessmen, economists, and even administration officials are already assuming that inflation will be near 15 percent in July. President Fernando Collor keeps talking about a three percent rate for August. Is this a forecast that has no connection with reality, or a revelation by someone who has access to the best data available? "An inflation rate of three percent? Only if you are talking about next August," quipped Juares Rizzieri, director of research for the Economic Research Institute Foundation (FIPE). "Only if there is a freeze," ventured some economic consultants.

The impression that Brazilian inflation is heading dangerously skyward but could be contained by a freeze is beginning to dominate the market. It is true that the race to spend is now a thing of the past. Retail sales in greater Sao Paulo fell by 14 percent between May and June, according to the Retail Trade Federation and Center for the State of Sao Paulo. Activity in the shopping centers has dropped off by 35 percent. But there are no guarantees that the recession will be able to push prices down. There are those who say that the Brazilian economy is on the brink of the worst of two worlds: inflation accompanied by recession, or "stagflation," in the language of the economists.

"Inflation is on the rise, we just do not know how fast," says economist Paulo Nogueira Batista Junior of the Administrative Development Foundation (Fundap). He

attributes this trend mainly to market mistrust. "The administration has not been able to prove that it really is taking control of the public sector," he argues.

According to sources close to the economics team, the government is already alert to the reappearance. Contrary to what it says, the purpose behind the freeing of the prices of certain essential products is not to facilitate their decline, but their increase. The idea is to leave it up to the market to "correct" the prices of certain products—now missing from the shelves of shops and supermarkets—instead of formalizing the readjustments on official price lists.

The upward pressures on prices cannot be taken lightly—although they may not always be real. That is the case, for example, with rumors about a new price freeze that began to circulate right after the attempt by the government, workers, and business to reach a tripartite agreement. The pact did not materialize, but showed that the government is willing to "halt" prices and wages for a specific length of time. The freeing of prices in itself was interpreted as preparation for a freeze—and that is where recent experience is valuable. The risks of such expectations is another "outbreak of preventive price tag changing," as Nogueira Batista describes it.

The disappointing harvests also pose a threat to price control. The administration insists that the market has already absorbed most of the impact, and that this has already shown up in the price indexes. But it fears that the explosion in farm prices at the wholesale level could still do some damage at the retail level—and boost the cost of living indexes. The supply of dry beans is critical, and the meat supply at least doubtful. No one knows whether cattlemen are so convinced that inflation will return that they might postpone slaughtering their cattle.

Wages also are an unknown factor. According to Rizzieri, real wages are extremely low—at 1983 levels perhaps—and this puts the brakes on consumption. Furthermore, the limits imposed on restitution of wages lost under Provisional Measure 193 are very strict. This law, however, might simply "not take." With inflation running 10 to 15 percent a month, there is no way to keep companies from giving raises in advance of the dates stipulated in their collective bargaining agreements. "It would be preposterous to prohibit passing the wage adjustments on in the form of higher prices, as Provisional Measure 193 does," observes Nogueira Batista. "Have price controls been lifted, or not?" he asks.

The administration threatens to tighten up even further on monetary and fiscal policy in order to curb consumption and inflation—and reminds people that the economic policy tools have started to function again. In addition, it is already resorting to a mechanism never before activated: the lifting of restrictions on imports in order to force products made in Brazil to face foreign competition. Exchange reserves are said to be heading for the $9 billion mark and so would permit such a loosening, but this does not quiet the critics. "High interest rates also represent costs," warns Jose Arantes Savazini, who used to work with former Minister Delfim Netto. "If restrictions are lifted too quickly, there would be pressures on the exchange rate and this could lead, indirectly, to more inflationary pressures," Nogueira Batista added.

* Poor Harvests Described

90SM0188E Sao Paulo O ESTADO DE SAO PAULO Economic Section in Portuguese 5 Jul 90 p 5

[Text] Brasilia—The 61.8 million tons of grain harvested this year represents a 14 percent decline from the previous season's total. This information was reported by the president of the Production Financing Company (CFP), Joao Mauro Boschero, who cited a nine percent reduction in planted area (38,351 million hectares as against 42,240 million).

The products that suffered most were cotton, dry beans, corn, and soybeans. These crops failed due to weather problems and, as in the case of soybeans, the absence of incentives to plant. Of the staple consumer items the most affected was rice (a 26 percent drop in production), followed by soybeans (15 percent), and corn (11 percent).

The administration has already authorized imports of certain products, such as corn. Brazil will get 110,000 tons of corn from Argentina alone. In the case of dry beans, supply problems will persist until October, according to the president of the CFP. That is because not only is production (2.36 million tons) 5.9 percent down from the previous harvest, but there is still a shortage of replacement stocks in the pipeline. Black beans represent 355,100 tons of the total crop, while the others (mulatinho, white, and dark red) account for 1.89 million tons.

Boschero said there will be no (upward) pressure from domestic consumption of soybeans, even though output of soybean meal, beans, and oil is down by 15 percent.

The 1989-90 harvest of rice, at the top of the list among basic products for which harvests declined, is being estimated at 8.21 million tons. The 26 percent decline is blamed by CEP [as published] experts on cutbacks of 21 percent in acreage planted. This means there will be a deficit in terms of domestic consumption needs of about 2.8 million tons. This will be covered by the stabilizing stocks held by the government, now approximately four million tons.

Chile

UDI Blames Communist Party for Attack

PY2507235490 Santiago EL MERCURIO in Spanish 17 Jul 90 p C5

[Excerpt] The Independent Democratic Union [UDI] has blamed the Communist Party of Chile for the attack against its headquarters in La Pincoya district. UDI

leaders indicated that threats to destroy the party headquarters were received several times.

UDI Secretary General Joaquin Lavin said that at least 20 individuals entered the party headquarters by force early in the morning on 15 July.

He added that the individuals destroyed the furnishings, stole equipment, and took the files of the 1,800 party members, and 25 committees the UDI has in that district. [passage omitted]

PCCh Rejects Resolution on Cuban Relations

PY2507152290 Santiago Domestic Service in Spanish 1100 GMT 25 Jul 90

[Text] The Communist Party of Chile [PCCh], which is trying to obtain legal status, has rejected a resolution approved by the Chamber of Deputies to condition the reestablishment of relations with Cuba to the preparation of reports on the human rights situation under Fidel Castro's regime.

PCCh Central Committee member Mireya Baltra has repudiated those who supported the maneuver to approve this resolution. She mentioned the UDI [Independent Democratic Union], the National Renewal Party, and members of the Coalition of Parties for Democracy, specifically the Christian Democratic Party, as the main promoters of agreements that have only served to pave the way to impunity.

[Begin Baltra recording] The resolution approved by the Chamber of Deputies to condition the reestablishment of relations with Cuba is an effort to delay the restoration of our relations under false pretexts. This decision is not in keeping with the fact that Chile maintains relations with countries that time and time again have been condemned by the international community on charges of violating international rules. [end recording]

Baltra said that the PCCh condemns the maneuvers carried out in the Chilean Congress. She urged people to demonstrate on 27 July and to gather signatures in support of the legalization of the PCCh and the restoration of relations with Fidel Castro's regime.

As for Havana's support for the so-called armed struggle that took place in Chile, Baltra said that the PCCh was not aware of this situation. She reiterated, however, her thanks to Cuba for its contributions, which she said qualifies that country as a "Chilean patriot."

Soviet Ship Enters Port for Repairs

PY2507231290 Santiago LA TERCERA DE LA HORA in Spanish 18 Jul 90 p 14

[Text] Valparaiso—A Soviet fishing ship, which belongs to the same fleet as the "Odishi" which was caught by the Chilean Navy in Chilean waters, yesterday entered a dry dock for repairs. The ship is the "Vozrozhdeniye" with registration CBV-607.

Foreign Ministry, Congress Liaison Office Opened

PY2607030890 Santiago EL MERCURIO in Spanish 19 Jul 90 p C3

[Summary] The government this week created an office which will act as liaison between the Foreign Ministry and Congress. The office will be headed by Hernan Sanchez who was ambassador to Portugal. The office will be involved in protocol and information tasks.

Energy Rationing Cuts Television Transmission Time

PY2607032090 Santiago Radio Cooperativa Network in Spanish 2300 GMT 25 Jul 90

[Report by Ricardo Levi from La Moneda]

[Text] Beginning 30 July, television stations will broadcast their programs only up to 2300 [0300 GMT following morning] each night, and from 1000 to 1200 there will be no transmissions, either. The news was announced by the executive director of the Television Corporation of the Chilean Catholic University at the end of a meeting with the directors of the four television stations, Government Secretary General Enrique Correa, and Energy Commission Secretary Jaime Toba.

Correa has said that the measure was adopted at the request of the government because people have not complied with the demands of the campaign aimed at saving energy.

Colombia

Army Commander: 'Serious Divisions' in Cartel

PA2607024290 Mexico City NOTIMEX in Spanish 2224 GMT 25 Jul 90

[Text] Bogota, 25 Jul (NOTIMEX)—There are "serious indications" that the Medellin Cartel, headed by Pablo Escobar, is suffering from "serious divisions," Alfonso Baca Perilla, commander of the 1st Division of the Colombian Army, said today.

He said that according to intelligence reports, "there are indications" of disagreements within the cartel headed by Pablo Escobar that may lead to the weakening of the organization, which in the last few days has seen its "general staff" captured.

Hundreds of men from the national police, the DAS (Administrative Department of Security), and from the Army are conducting an operation to locate Pablo Escobar in the Middle Magdalena region, Antioquia Department, 200 km from Bogota.

The commander of the 1st Division said that proof of the division within the Medellin Cartel was the announcement made by members of that organization, self-styled Group of the Other Extraditables [Grupo Los Otros Extraditables] (Goex), who said they were against what they called "the assassination of important Colombians" ordered by Pablo Escobar.

This group warned the top drug cartel leader on 23 July that some of his relatives could be "executed" if he takes reprisals against the extraditables.

Baca Perilla, in statements made to a well-known Colombian radio station, said that the situation in Antioquia Department was "normal," but he admitted that the violence and the terrorist actions that caused the death of 210 policemen so far this year, still persist in Medellin.

New Comptroller General Elected Unanimously

PA2607035490 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 26 Jul 90

[Text] As expected, this afternoon the House of Representatives, including the M-19 [19 April Movement] faction, unanimously elected Manuel Francisco Becerra as comptroller general of the Republic.

Manuel Francisco Becerra is a member of the Liberal Party and he will replace Rodolfo Gonzalez, who served in this position for eight years.

[Begin Becerra recording] I have clearly said before that the Comptroller General's Office cannot continue to handle the government's accounting. This is very unprofessional.

The comptroller general should audit the government's accounting. It should establish the rules of accounting as well as the quality of the accounting's supporting data. However, it should never handle the government's accounting. [end recording]

PU Issues Communique on Recent Killings

PA2507153890 Madrid EFE in Spanish 2210 GMT 24 Jul 90

[Text] Bogota, 24 Jul (EFE)—Colombia's leftist Patriotic Union (UP) reported today on a new campaign to wipe out their members. UP reported that the Army killed five UP members and kidnapped another two in the last few days.

UP's national directorate issued a communique on these reports and said that reactionary paramilitary forces all over the country have begun violent attacks.

The first murder was committed on 19 July at Chaparral, 160 km to the southeast of Bogota, where UP leader Eliserio Vera was killed.

The second UP report says that young Felipe Castaneda, 17, was killed at the front door of his home by armed soldiers lead by a lieutenant named Cogollo, in Castillo, a town located in the country's eastern plains. The UP says that in this case the soldiers claimed they had mistaken him for someone else.

The communique says that on 22 July, a group of soldiers attacked three brothers at Bajo Simacota, Santander Department, in the northeastern part of the country. One of the brothers, Alfonso Pinzon, was killed during the attack; another, Fernando, was detained and later hospitalized with serious wounds; and the third brother, Nelson, is reported missing.

Also, the reports continues, there is the search by B-2 [as received] [Military Intelligence] of the movement's main headquarters at Apartado, in the northeastern part of Colombia, where an officer presented himself with a list of UP and Communist Party of Colombia (PCC) political leaders with orders to arrest them.

Also at Apartado, Prosecutor Maria Ester Quiceno Restrepo and her bodyguard were killed. The authorites have no clues concerning this double homicide.

The UP ends the report by condemning the events and demands an official explanation for the killings, the arbitrary searches of their political headquarters, and the kidnappings.

Since UP's founding in November 1985, more than 1,500 of their followers have been murdered, including Jaime Pardo Leal on 12 October 1987, their first president and former presidential candidate for the 1986 Colombian elections.

On 3 March 1989, UP Secretary General Jose Antequera was also murdered and on 22 March 1990, Bernardo Jaramillo Ossa, presidential candidate for the Colombian elections was mudered.

District Attorney, Bodyguard Killed in Apartado

PA2507165490 Bogota Inravision Television Cadena 2 in Spanish 1730 GMT 24 Jul 90

[Text] This morning, Maria Esther Restrepo, regional district attorney for the Uraba region, was killed in Apartado, Antioquia Department. The official, who was gunned down at the entrance to her office, was about to be replaced this week because of death threats against her. Her bodyguard also died in the attack. Here is a report by Maria del Pilar Marin.

[Begin Marin recording] As she prepared to enter her office, several gunmen fired at Maria Esther Restrepo, the regional district attorney, and Edgard Albornoz, her bodyguard, instantly killing both of them. The regional district attorney was supervising the case of the kidnapping of 42 peasants in Pueblo Bello on 17 January.

As may be recalled, several graves containing the bodies of the kidnapped peasants were discovered in mid-May on a farm owned by drug trafficker Fidel Castano, alias Rambo, in Cordoba Department. Later, the Attorney General's Office filed a list of charges, including that of omission, against Army Captain Alvaro Gomez Luque and Sub-Lieutenant Nestor Enrique Bernal, attached to the Uraba Military Command, for having allowed free transit to the two trucks carrying the kidnapped peasants. [end recording]

Ecuador

Borja, Analysts Discuss Results of U.S. Visit

PA2507162990 Quito Radio Quito in Spanish 2300 GMT 24 Jul 90

[Italicized passages are recorded]

[Text] President Rodrigo Borja will arrive in Guayaquil tonight after an official U.S. visit. He will return aboard an Eastern Airline plane, because the TAME [Ecuadoran Military Air Transportation] Company plane, which flew hm to to Miami, had a problem.

During his White House visit, Borja met with his counterpart George Bush, the IMF president, the OAS secretary general, and other top officials. The initiative for the Americas proposed by Bush was the main topic discussed by the two presidents.

Bush announced that Ecuador has been incorporated into the preferential treatment system afforded to countries that are facing problems stemming from drug trafficking and are fighting against it, such as Colombia, Peru, and Bolivia. Also, 77 products from these countries, including Ecuador, will enter the United States free of tax.

President Borja said that the U.S. Government has a new outlook toward Latin American problems. Before leaving for Ecuador from Andrews Air Force Base, he said that the foreign debt problem is political and described this trip as very positive not only for Ecuador, but for Latin American countries as well.

[Borja] *The results of this visit are important not only for Ecuador, but for all of Latin America, because we were to exchange views with President Bush on his Initiative for the Americas [words indistinct], that is, the opening of U.S. markets and the removal of tariff barriers to ensure that our products are able to arrive here [words indistinct] search for solutions to the debt problem that must evidently include [words indistinct].*

This is important. We held lenghty, frank, and friendly talks with President Bush. We believe that the U.S. Government has a new outlook toward Latin America. It is dealing with our overall problems and realizing that our debts surpass our ability to pay. Therefore, we need unconventional solutions to the debt problem to protect our democracies.

Several political and economic analysts have described President Borja's U.S. visit as positive. The visit resulted in the establishment of an association tasked with promoting exports between the two nations, said acting Foreign Minister Mario Aleman.

[Aleman] *A number of agreements were signed, but basically, a group was established to promote investments and trade in both countries. The private sectors of Ecuador and the United States are represented. Therefore, the private and official sectors of each country will ensure the fulfillment of the agreements that have been signed [words indistinct].*

The justification of this trip is to bring back good results and that is what the Ecuadoran president aspired to do with this tour, said Luis Eladio Proano, former media secretary. The results will be evident later. Ecuador must think in terms of the Andean Group to have more influence in a number of agreements signed with President Bush, Proano added.

[Proano] *I believe that the president is showing goodwill. The possibility of obtaining aid from the United States will depend on the problems facing the countries. The way in which countries will be helped, now that communism has collapsed, will hinge on the specific problems that the United States will be tackling. What is its main problem at this moment? Undoubtedly, drug trafficking.*

Therefore, all countries involved in this problem, such as the Andean countries—and Ecuador, which is squeezed between two countries that are affected by the drug problem—might receive aid. Why? Because they will be [word indistinct]. The United States will say: Help solve the drug problem and we will also help you develop a little more.

Police Identify Kidnappers of U.S. Citizen

PA2607033890 Quito Radio Quito in Spanish 2300 GMT 25 Jul 90

[Text] The national police have identified the kidnappers of U.S. citizen Scott Heimdal as well as the possible killers of three policemen in Tena and Lago Agrio cantons. They are Roberto Andres Moreno Meaguaje, aka Alveiro, a member of the Colombian Popular Liberation Army [EPL], Ruben Dario Moreno Meaguaje, brother of Roberto and an EPL member, and Luis Pablo Tovar Menda, a drug trafficker who was freed from the Tena jail by EPL members. The official report indicated that the police reached this conclusion after investigating the events and after witnesses to the kidnapping identified them through photographs.

Paraguay

Further Reportage on Removal of Foreign Minister

PY2507163690 Asuncion ABC COLOR in Spanish 25 Jul 90 p 2

[Text] What happened at the brief meeting between President Andres Rodriguez and Luis Maria Argana, which concluded with the discharge of the man who was until then foreign minister? There are two different versions of this meeting, but it is clear that it could have a great impact on future relations between the Colorado Party and the government; and the party and the Armed Forces.

Several theories have been advanced regarding the brief meeting between General Andres Rodriguez and Luis Maria Argana during which the president decided to relieve his foreign minister.

Rodriguez and Argana were the only participants in this meeting. According to Government House journalists, the meeting, which lasted less than two minutes, has been described as "the longest minute in Argana's life."

It is said that the dialogue went as follows:

Rodriguez: Foreign Minister, I wish to inform you that I am removing you from your post because your recent statement seriously undermines my position.

Argana: But Mr. President, have you read the explanation published in yesterday's newspapers?

Rodriguez: No, in fact I did not read at all yesterday. But what you said needs no explanation.

Argana: Well then, good-bye.

Rodriguez: Good-bye. And inform the press about this decision.

This was apparently yesterday's brief conversation between General Rodriguez and Argana.

There is another version, however, reported by a Mexican newscast monitored in Paraguay. According to this version, the dialogue went as follows:

Rodriguez: Dr. Argana, I wish to inform you that I am removing you from your post.

Argana: For what reason, Mr. President?

Rodriguez: Your recent statements were out of place and seriously undermined my position.

Argana: But have you read my explanations published in the newspaper HOY?

Rodriguez: No, I do not need to. This is why I am removing you from your post, Mr. Foreign Minister.

Argana: Very well then. Goodbye.

Rodriguez: Goodbye. Inform the media about this decision.

Some Government House sources have said that there was no indication of what was going to happen when Argana entered the office. They did point out, however, that relations between Rodriguez and Argana had been gradually deteriorating since the frustrated Colorado Party convention on 2 December 1989. At that time the then foreign minister challenged a court order that prohibited the party convention and attended the meeting held at the Sports Council stadium.

This incident was added to the lack of support for the Electoral Code drafted by the executive branch and Argana's maintenance of some authoritarian positions that contradicted statements made by Rodriguez and the Armed Forces. But the straw that broke the camel's back was the statement Argana made at the Colorado Party Economists Association when he talked about a plot and another revolution to ensure that the Colorado Party would not fall from power.

Cavalry Commander Reasserts Support for Rodriguez

PY2507172090 Asuncion ABC COLOR in Spanish 25 Jul 90 p 5

[Excerpts] A ceremony celebrating Paraguayan Army Day and the birthday of Marshall Francisco Solano Lopez took place on 24 July. Division General Humberto Garcete, commander of the I Army Corps; Brigadier General Oscar Rodrigo Diaz Delmas, commander of the Army headquarters and deputy chief of the joint staff; and other high-ranking officers attended. [passage omitted]

The celebration began with a mass and, after the national anthem, General Lino Oviedo, commander of the 1st Cavalry Division, delivered a speech to the conscripts. [passage omitted]

"This flag, to which you will pledge your faithfulness, must be defended and honored by us until death."

"This is why I am urging soldiers to reflect and to understand the deep significance of this commitment. You will return to your homes as useful citizens and with the satisfaction of having fulfilled your duties. If the fatherland someday demands a sacrifice from its children, do not hesitate to defend it as quickly and firmly as possible."

"This is the appropriate time to voice our faith and confidence in the future of the country and to reaffirm our firm loyalty to General Rodriguez, the president of the Republic and commander in chief of the Armed Forces. President Rodriguez is leading the country with firmness and patriotism to meet his great objectives of freedom, democracy, justice, and well-being for our dear Paraguay."

"On this happy occasion, we reassert our firm loyalty to I Army Corps Commander General Humberto Garcete, the loyal and faithful supporter of President Rodriguez," Oviedo added. [passage omitted]

Closure of Opposition Mouthpiece Announced

PY2507200590 Asuncion HOY in Spanish 25 Jul 90 p 10

[Excerpt] The weekly "EL PUEBLO", the mouthpiece of the Febrerista Revolutionary Party [PRF], has been unable to adapt to the new conditions prevailing in the country, that is, to the trends of journalism during the transition period. PRF Leader Adolfo Ferreiro gave this as one of the causes for the closure of the weekly "EL PUEBLO".

Ferreiro, who is a member of the PRF Rafael Franco Multisectorial faction, explained that sales of "EL PUEBLO" have fallen to the point where it has become impossible to print it and that is why it is being closed. [passage omitted]

Peru

Garcia Minimizes Attack on Government Palace

PY2607035490 Lima Television Peruana in Spanish 0318 GMT 26 Jul 90

[Excerpts] President Alan Garcia has described as meaningless an attack on Government Palace perpetrated tonight at around 2100 [0200 GMT 26 July]. The president said that all this stems from the mistaken desire of terrorist groups that are competing to make the headlines. President Garcia made these remarks after a visit he made to the Foreign Ministry.

[Begin recording] [Reporter] Can you tell us the reason for your visit to the Foreign Ministry?

[Garcia] I wanted to hold a final meeting with the Peruvian diplomats, with the Peruvian ambassadors, with the Torre Tagle staff. [passage omitted]

[Reporter] Mr. President, what information do you have about an attack that was reportedly perpetrated a few minutes ago on the rear section of Government Palace?

[Garcia] I do not attach much significance to it. There have been several occasions in which home-made mortars were placed on a balcony to attack Government Palace. These attacks lasted only a few minutes and did not cause any major injuries or damage. I believe all these actions stem from the desire of the terrorist groups that are competing—the two groups of terrorists and assassins—to see which obtains the highest mark in undermining the democratic presidential inauguration. Yet, these poor individuals are unaware of the fact that the Peruvian people have eliminated them by having massively participated in the election and have overruled them with their desire to maintain freedom in Peru. The only thing these individuals are confirming with their bombs and guns is that they are psychologically impaired. Because they cannot think or persuade anyone, they have to kill or to issue threats. [passage omitted]

Thus, I would not attach any significance to the attack because it would be like playing into the hands of these adventurous individuals who would like to have the six presidents who will be attending the inauguration of President Fujimori shocked by the idea that the Peruvian Government Palace has been attacked. It was an attack with a home-made mortar. It was a meaningless attack that will in no way make us waver in our democratic convictions and in our decision to ensure an outstanding ceremony on 28 July.

[Reporter] Was anyone injured?

[Garcia] Not at all. Not only are they using precarious, home-made weapons, but they do not even know how to use them. [laughter] [end recording]

Three Change 90 Offices Bombed in Lima

PY2507134090 Madrid EFE in Spanish 0433 GMT 25 Jul 90

[Text] Lima, 24 Jul (EFE)—Two persons were wounded today when terrorists using explosives attacked three Lima offices of the independent Change 90 movement, which is headed by Peruvian President-elect Alberto Fujimori. According to police sources, two offices in the poor La Victoria District and one in the Jesus Maria District were attacked. The three offices suffered considerable damage.

One person at the Jesus Maria office and another at one of the La Victoria offices were wounded in the explosions. No one was wounded at the other location, despite the fact that 50 Change 90 supporters were meeting there.

Police did not report which terrorist group had carried out the attacks. President-elect Alberto Fujimori will assume the presidency on 28 July, replacing Alan Garcia.

8 People Die in Recent Shining Path Attacks

PY2507134790 Madrid EFE in Spanish 0142 GMT 25 Jul 90

[Text] Lima, 24 Jul (EFE)—Police sources reported today that at least eight people were killed and six were wounded in the past 72 hours during attacks perpetrated by Shining Path terrorists in several Peruvian areas.

Alleged Shining Path terrorists disguised as policemen killed five peasants and wounded four in the village of Orurillo, in the southeastern department of Puno.

Press sources reported that the attack was confirmed by the Vicariate of Solidarity in Puno, capital of Puno Department, 1,315 km from Lima.

On Monday (23 July) terrorists hurled a bomb at a house, killing a nine-year-old boy and seriously injuring his mother, who lost both hands. The attack occurred in the jungle area of Paucartambo, Junin Department, in the Peruvian central mountain range.

According to early police investigations, the target of the attack was Judge Ovidio Diaz' house, which is adjacent to Maritza Fernandez' house. Her son, David Hilario Fernandez, died in the attack.

The same day, Raul Carhuamaca was found strangled in Huancayo, capital of Junin Department, 315 km east of Lima. The 17-year-old youth had left his house to play soccer. Police believe he was killed by terrorists.

Police sources have reported in Ayacucho, 575 km southeast of Lima, that Ciro Aramburu, a university professor, was riddled with bullets at his house today.

Several witnesses have reported that a group of hooded individuals broke into the professor's house. He was the director of welfare and student affairs at the San Cristobal de Huamanga University in Ayacucho. The terrorists also wounded the professor's daughter, Alcira. The university has declared 72 hours of mourning.

An armed forces joint command has issued a communique reporting that four Shining Path terrorists died today in a clash with an Army patrol in the area of Culebras, in the Huanuco Department, northeast of Lima.

The terrorist attacks over the past 72 hours are part of a wave of violence that is taking place in the country just four days before the inauguration of Alberto Fujimori as president. He will replace Alan Garcia on 28 July.

Terrorist Arsenal Blows Up in Chorrillos District

PY2507152190 Madrid EFE in Spanish 1439 GMT 25 Jul 90

[Text] Lima, 25 Jul (EFE)—A total of six alleged terrorists died and another three were wounded when a weapons and explosives arsenal blew up this morning at 0300 (0800 GMT). The arsenal was in a hut in the Lima district of Chorrillos.

Peruvian National Police reported that the hut containing the arsenal was in an isolated area in the San Genaro neighborhood.

According to all indications, the arsenal was to have been used in the wave of attacks that are occurring in Lima and other parts of Peru four days [as received] before the inauguration of President-elect Alberto Fujimori on 28 July, Peru's independence day and Fujimori's birthday.

On Tuesday night [24 July] terrorists bombed three offices belonging to Fujimori's Change 90 movement. The explosions wounded two people and caused some damage.

MRTA Commando Occupies DPA Offices in Lima

PY2607031290 Buenos Aires DYN in Spanish 0212 GMT 26 Jul 90

[Text] Lima, 25 Jul (AFP)—The Deutsche Press Agentur (DPA) offices in Lima were occupied for 30 minutes today by a commando of the Tupac Amaru Revolutionary Movement (MRTA) guerrillas, according to the victim agency.

Three MRTA terrorists armed with guns stormed the DPA offices and forced its journalists to transmit—from its Lima head office—a communique against the new government of President-elect Alberto Fujimori, who will inaugurate his administration on 28 July.

Before leaving the DPA offices, the MRTA commando painted pro MRTA slogans on its walls with phrases against the president-elect such as "Fujimori is a fraud."

The MRTA, a pro-Che Guevara group, two weeks ago organized the spectacular prison escape of 48 of its members, including its chief Victor Polay Campos, who were serving sentences in the Canto Grande prison of Lima.

During an interview aired by a Lima television station, Polay Campos mentioned the possibility of establishing a dialogue with Fujimori's administration on "concrete and solid bases of justice, but without putting down its weapons."

The occupation of the DPA office in Lima by the MRTA is considered by analysts as a change of attitude regarding the "dialogue" between this subversive group and the government.

PLO Condemns Attack on Jewish Community Member

PY2607031090 Lima Television Peruana in Spanish 0100 GMT 26 Jul 90

[Text] The PLO representation in Peru today condemned the attack on a member of the Jewish community in Peru by subversive elements. The PLO also rejected that this event has any relation to PLO activities.

Torres Lara Named New Labor Minister

PY2607033890 Lima Television Peruana in Spanish 0100 GMT 26 Jul 90

[Excerpts] Prime Minister-designate Juan Carlos Hurtado Miller announced today that he has named Carlos Torres y Torres Lara as labor minister. He is a university professor and lawyer. Hurtado Miller emphasized the personal and professional qualities of the newly appointed minister.

[Begin Hurtado recording] I am here to announce the labor minister's name. I paid a visit to the union organizations which represent the workers, and I am now in the headquarters of the organization which represents national businessmen. I made the visits to personally convey the decision to appoint Carlos Torres y Torres Lara as labor minister. Torres y Torres Lara is currently the dean of the University of Lima's Saw School. He is a professional with many years experience in social promotion, and cooperatives. We were delayed in choosing Torres y Torres Lara because we were looking for a professional with Torres Lara's characteristics. We did not want the future labor minister to be only a mediator among parties in conflict. What we wanted was a professional in the Labor Ministry who is a great social promoter, who knows how to improve the workers' standard of living. We also wanted a man who would coordinate with the economic program the necessary measures to be implemented as part of the economic stabilization plan. Torres y Torres Lara fulfills those requirements, therefore we are very proud to have him in the cabinet. [end recording] [passage omitted]

Garcia Dissolves Presidency Ministry

PY2507145690 Lima Television Peruana in Spanish 1100 GMT 25 Jul 90

[Excerpts] The Ministry of the Presidency has been dissolved after President Alan Garcia signed a supreme decree accepting the resignation of the minister and vice minister. [passage omitted]

[Begin Garcia recording] I hereby accept the resignation of Ramiro de Velazco as vice minister of the Presidency and thank him for his valuable cooperation. As of today I also accept the resignation of Rodolfo Luis Beltran Bravo as minister of the Presidency, and I thank him for serving the nation. The Ministry of the Presidency is hereby dissolved. [end recording]

Correction to Housewives Demonstrate in Lima

PY2507205290

The following correction pertains to the item headlined "Housewives Demonstrate in Lima Streets" published in the 24 July Latin America DAILY REPORT, page 28, column one:

Last paragraph, only sentence, make read: ...administration inflation reached 1.3 million percent between July 1985... (correcting figure)

Venezuela

Riots Over Bus Fares Bring Casualties, Arrests

PA2607035290 Paris AFP in Spanish 0249 GMT 26 Jul 90

[Text] Barquisimeto, Venezuela, 25 Jul (AFP)—The local news agency INNAC [INFORMACIONES NACIONALES] reported today that seven policemen were wounded and 80 students were arrested in this city, 300 km southwest of Caracas, as a result of violent riots against a 40-percent increase in public bus fares.

During the protests, the rioters exploded three bombs in various parts of the city, a sector which has been put under the control of the militarized National Guard, Innac reported.

Five students were admitted at the Mariano Pineda Central Hospital, some with signs of asphyxia from breathing tear gas and others with shotgun wounds.

There were student riots in Caracas and in other provincial cities also, but there were no reports of injured or arrested people, the source reported.

A wave of protests throughout the country last March forced the postponement of an increase in fuel prices, an increase that is expected to be announced in the next few weeks and that will produce a new bus fare increase.

The doubling of gasoline prices and of bus fares in February 1989 resulted in the "Caracazo," term given to the violent looting and riots that ensued and whose repression produced an official death toll of 276.